

Interview with Robert B. Duncan

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ROBERT B. DUNCAN

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Q: Today is April 9, 1995. This is an interview with Robert P. Duncan on behalf of The Association for Diplomatic Studies and Training. I'm Charles Stuart Kennedy. Bob and I are old friends. Bob, to start, could you tell me a bit about when and where you were born and a bit about your family?

DUNCAN: I was born in 1934 in Newark, New Jersey. My mother was a schoolteacher and my father was a lawyer. My mother had been a schoolteacher in several towns in New Jersey. The last place was in Montclair, New Jersey. She retired when I was born. My father was a lawyer in Bloomfield, New Jersey.

Q: *What type of law, general?*

DUNCAN: General, yes.

Q: *Where did you go to school?*

DUNCAN: I went to kindergarten in Bloomfield and then first grade in Bembridge. We moved to Michigan, where I went to second grade. Then I came back to East Orange, New

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Jersey, where I went throughout the East Orange school system from the third grade on, graduating from East Orange High School in 1953.

Q: The Korean War was on. Did you go to college then?

DUNCAN: Yes, I went to college. I went to Princeton and graduated in '57.

Q: What subjects were you taking in college?

DUNCAN: I majored in a bridge program with the Woodrow Wilson School, which is a bridge of diplomatic history, politics, and economics. I minored in French.

Q: What moved you towards the foreign affairs field, the international relations field?

DUNCAN: I really made the decision that I was interested in going into the Foreign Service when I was in high school. I started then to think that this was what I wanted to do. So, I was choosing colleges in terms of what I thought would be good programs to prepare for it. I had not traveled abroad except as a child when I just visited Canada. I had not traveled abroad, but I was always interested in geography, history, and politics. But I think it was the international dimension. I was always an avid reader of "National Geographic Magazine," that sort of situation, and maps and what not. The decision to go for the Foreign Service was I can't remember exactly where in my high school years, but I made the decision then.

Q: Had you ever met anyone from the Foreign Service or connected to the Foreign Service?

DUNCAN: No.

Q: How about at Princeton? Did you find that you could find out more about the Foreign Service there or was it pretty much just sort of the academic side?

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DUNCAN: I think we were very fortunate in the Woodrow Wilson School. There were Foreign Service officers who had come to Princeton for like a year of midcareer training. In my senior year, the conference that we worked on was American policy toward Africa. The University had asked its visiting Foreign Service officer, who was a graduate student, if he would run this seminar. So, we basically had a Foreign Service officer who was running a seminar that was at the undergraduate level and was dealing with foreign policy creation toward Africa, which was an extremely valuable experience.

Q: Oh, sure, and at a time when it was really being created. Africa was on the brink of becoming independent.

DUNCAN: Right. He had served in Liberia, which gave additional benefit. But what I remember most vividly from the whole exercise is, when we were all done, as a group, we were pretty proud of all of our work and what we had done. His caution at the very end when we were all finished was to say to us, "Well, you're just beginning." In other words, he was happy with what we had done, but the reality... His parting words were "Don't believe that you've solved the world's problems."

Q: You graduated when?

DUNCAN: In '57.

Q: And then what?

DUNCAN: I went into the Army for two years.

Q: What did you do in the Army?

DUNCAN: I was in the Counterintelligence Corps.

Q: If I recall, you used to tell me stories about mainly chasing down suspected spies.

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DUNCAN: I was in the domestic division. It was basically security investigations. So, we were basically investigating Americans who had applied for jobs where they required military security clearances. Also, we did work on military officers, too.

Q: What were the things that you were looking for that could cause problems in investigations? I'm trying to capture the spirit of the times. If you looked at somebody's background, what were the concerns?

DUNCAN: I can answer your question, but I'm wondering whether I should. In other words, I wonder if investigative procedures still don't fall in the longterm classified...

Q: We're talking about the major things. Was homosexuality problem, membership in leftist organizations, all of this?

DUNCAN: Membership in leftist organizations was clearly a topic of interest. In other words, you had to list what your organization membership was. But generally speaking, what you were looking at was, first, a person had to fill out the form to fill in their life history. So, basically, you were going back to verify whether what they said was their life story was their life story. For example, there is a section on the form where you had to list your police record (except for parking violations). If a person had like a moving traffic violation and didn't list it, and then we found it, that was very adverse. If the person listed it and we confirmed what it was, just per se of having a moving traffic violation isn't going to disqualify you. If you have a pattern of reckless driving, obviously. What I'm trying to say is that the danger level was really if the person didn't tell you the truth. If they told you the truth, nine times out of 10, the investigators were able to put it in perspective. The people who made the determination whether or not to grant the clearance were separate. The investigators were not the judges, if you understand what I mean. But generally, my reaction was that I thought the thing was particularly fair. In the whole period that I was in the business, there were only two cases where from a person point of view I thought that in one case, the person had been denied a clearance when I think they shouldn't have

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been. In one case, they were granted one where I think that they shouldn't have been. Obviously, that's only my own personal judgment. But I think that's pretty good considering that I had 5,000 cases to investigate.

Q: The McCarthy era was afterwards. Where there lots of organizations that raised warning levels? Were we still concerned about belonging to what might be the wrong type of organization? Was there much of that or not?

DUNCAN: The investigative procedure in form, there were specific questions about "Are you or have you ever been a member of the Communist Party?" Then there was a section where you had to list all organizations you belonged to. You would be verifying whether or not it was true. The adjudicators would make the decision of whether or not there was a membership in there it would create a problem. Of the cases that I was involved in, I cannot recall any case where we were coming up with people that had an affiliation problem. But it just may be that that was the odds. The normal thing that were the problems tended to be sex, money, and alcohol. Drugs weren't much of a problem.

Q: *What were the problems? Times change. Money and alcohol remain the same, but what consisted of sexual problems at that time?*

DUNCAN: If you were having troubles of infidelity. In other words, you were dealing in an area of suitability. It wasn't an issue of permanality. It was a question of suitability. If a person had a notorious reputation or a person might be married and then be having an affair with somebody else. That sort of thing would be... I don't recall any homosexual issues, but that was just that I dealt with.

Q: *It probably wasn't as apparent.*

DUNCAN: Alcoholism was definitely a suitability problem. Periodically, you would have money issues.

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Q: Running up debts, not paying their bills, that sort of thing.

DUNCAN: Yes.

Q: You did that for two years?

DUNCAN: About 18 months. The first six months was basic training.

Q: When you got out, what happened?

DUNCAN: I came out of the Army in February of 1960. I went to work for the Stock Transfer Division of Moriarty Trust, but it was just for March and April. In April, I went into the Foreign Service.

Q: Had you taken the Exam while you were in the service?

DUNCAN: I had taken the exam when I was in college. Then I was deferred while I was in the Army. I was drafted. I had taken the Exam and I was on the register. Then I went into the Army. When I came out of the Army, then I notified them that I was now available. They put me in the next class.

Q: You started in 1960? DUNCAN: Yes.

Q: Can you characterize the beginning officers class?

DUNCAN: Most of the people, as I'm now recalling, were about the same age and most of them were in basically the same characterization. That is, they had gone to college, served in the military, and now they were going into the Foreign Service.

Q: Are you talking about mainly white male?

DUNCAN: All white male, except for one woman.

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Q: How many were there?

DUNCAN: I can't remember the exact number, about 25.

Q: Looking back on it, what was your impression of the training?

DUNCAN: It was very nutsy boltsy. I thought it was valuable. In retrospect, I suppose they were sort of sizing us up for what our interests were. We didn't have any of this complicated bidding sort of thing. I mean, there were just jobs and they would give you a job. When I worked in Personnel, there were all the complications about how you got a job. It's actually a bit of a twist because what I did you could do now. I had come out of the Army in February and had gone in in March. I was going to get married in July. So, I asked "Could I have the first assignment in the States" because I was going to get married. They said I could. That was my request and they did. You couldn't do that now. You'd have to go abroad. Your first assignment, you have to go out. But they did do that. What I remember is, as I said, I started in April. You weren't entitled to any leave for four months. That was the rule. I guess it still probably is the rule. So, when I got married, I asked them, "Couldn't I have Monday off?" The problem was, I was entitled to no leave because I hadn't worked that long. So, they begrudgingly let me have a day off. Our honeymoon was one day.

Q: Coming out of this job, what was your first assignment?

DUNCAN: My first assignment was in the Office of Research and Intelligence for Africa.

Q: That's where we met.

DUNCAN: Yes.

Q: What was your responsibility?

DUNCAN: I guess the reason that I got into that particular function was that I had done my college senior thesis on French policy toward Algeria. That was what I was interested

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in. So, I guess it was that background that probably got me into this office. I don't know, but I assume that that was it. The Algerian Desk was taken care of by somebody else, but they gave me the Sudanese Desk. That's where I started. I do remember, as time went by, they sort of added and reduced and changed assignments. I had the feeling I was all around the continent at one time or another during the two years that I was there, except for southern Africa. At that time (This was 1960.), Algeria was European because it was French. So, that's why I didn't have Algeria. Northern Africa at one point was in the Africa Bureau and then it was in the Middle East Bureau, but I can't remember which it was then.

Q: I think the Middle East took care of Egypt and all the rest wain Africa for the time. It kept moving.

DUNCAN: When we were there, North Africa, except for Algeria, was in the Africa Bureau. That's why I got the Sudan. Algeria came into the office afterwards, but it was in the Office of European Affairs.

Q: What was your impression of the value of what you were doing?

DUNCAN: I thought it was a very interesting time to be in the job because that was the period where we used to have like an independent country a month. You'd have people who were being assigned out there who would come in and their first question would be, "Were is it?" I guess, in many respects, you could say that we were probably one of the most well informed offices in Washington on Africa at that time. Before, it had been a European problem.

Q: A colonial problem of which they paid very little attention to.

DUNCAN: When I think about it in retrospect, there is one very significant thing. As the countries were becoming independent, there was commentary by the former colonial experts, Europeans, on the situation. I remember distinctly that in the Encyclopedia Britannica Yearbook for that year, there was a big article written in the book. I think the

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guy's name was Peron, but I can't swear to it. He was being a bit of a Cassandra in saying that "This is not going to work. Tribalism is going to tear this continent apart. The nationalism isn't strong enough to survive." I remember at the time that people who were reading some of this commentary were all saying, "Well, you know, this is on reconstructed bricks." Yet, looking back from 35 years later, I think we probably would have been well advised if we had taken some of this commentary more seriously. I don't think they were disputing the problem, but I don't think that they were viewing it as a bar.

Q: I think, too, and please correct me, that this was a period when you were there before Kennedy was elected, but he was coming in, and it was also a part of the times. Africa was all of a sudden... Here were all these new nations coming in and we could act as kind of godfather to them. It was a period of almost naive enthusiasm about Africa. I think it enthused most of us who were young officers. Did you feel that way?

DUNCAN: Oh, definitely.

Q: I came into that office and somebody told me that Nkrumah had charisma. It was the first time I had heard of that. I thought, "Is it fatal?" Although we weren't dealing with it personally in our particular section, could you give somewhat of a feeling of how we looked upon the situation in South Africa?

DUNCAN: It was the one area where I didn't get involved. I didn't have a national responsibility, so it was sort of a peripheral thing.

Q: *But there was a lot of talk about it.*

DUNCAN: Oh, yes. It was one of the major problem issues. Was it in a later period or at that period that there was this priority concern of strategic minerals from South Africa, the chrome, the cobalt, all this sort of stuff?

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Q: It certainly had to do with the Congo. We're talking about whais now Zaire. This was sort of the driving force.

DUNCAN: I think the minerals in South Africa were definitely a strategic preoccupation. Subsequently in my career I was the Director of the Office of Economic Policy Staff in the Africa Bureau. This was later. So, I was involved when that problem began. I was trying to remember what it was in the beginning of the '60s compared to what was the situation at the beginning of the '70s.

Q: We're still back at the beginning. Did you notice any changwhen you were in INR when the Kennedy administration came in?

DUNCAN: Oh, yes. There was definitely a very strong Kennedy administration interest in Africa. Governor Williams of Michigan was the Assistant Secretary for African Affairs. He had a lot of political influence in the administration. It was a very high profile operation. That was my impression.

Q: How did you feel INR was being used at this time? This wa'60'62.

DUNCAN: It was definitely, for lack of another word, a very important reference service. Obviously, they were just getting themselves started and the number of people who had had extensive African experience was limited. Do you remember when we even had the Agency come down and microfilm all of our records because we had more information than they had? Bob Baum, our Director, was one of the most knowledgeable African types. He was in Mauritania during the war with a spotter for flying the planes. Do you know the story about flying the planes over?

Q: No.

DUNCAN: Apparently, when they used to route the planes into the Middle East, they would come over Morocco and then they would fly them through the pass over the Atlas

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Mountains and shuttle them over that way into the war zone. The problem was that the pass would cloud over. So, Bob Baum was in Nouakchott, Mauritania. His job from where he was was to keep looking at the pass and let them know when the clouds went over. He was the first American to ever come to Nouakchott.

Q: How about your connections with the desks?

DUNCAN: They were very good. I particularly remember when I was doing my work on the Sudan and they were having some problems there that they were very interested in what I was doing. I always had the impression that they were open. I would say it was a very positive relationship. In one case, I was called up to our Director's office. He had gotten a telephone call on the secure line. The question was, "What about the government in the Sudan?" I can't absolutely swear to it, but I think the question was, "Do we support it or don't we support it?" I remember making the statement that I thought that that government was the best that we could hope for in terms of our objectives. I gave the reasons why I thought that was true. He through the phone said, "No, call it off." I don't know whether we were planning a coup or what. I remember one other case in Angola. It had to do with the rebel movement. I was called up to brief Dean Rusk, the Secretary of State. I thought at that time that, at least in the areas that I was working with, we were used.

Q: In 1962, you were transferred.

DUNCAN: We went to Arabic language school in Tangier.

Q: What attracted you toward the Arabic language?

DUNCAN: I mentioned earlier that I had done my senior thesis on French policy toward Algeria. I had minored in French, so French North Africa was a passion of mine. So, when they had this option where they had this language school that was just opening up in Tangier to teach Arabic, from my point of view, this was wonderful. So, I applied for it and was in the first class of the group.

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Q: Could you talk about this? What we call the Maghrebian Arabic school is somewhat controversial as to its history and its effectiveness and all that. What was your impression about how the school ran and how effective it was during the time you were there?

DUNCAN: I laugh about it in retrospect, but you take the first group that we had. You had Frank Wisner, who has gone on to be ambassador to Egypt. You had Bob Pelletreau, who has gone on to be ambassador to several places in the Middle East. Ed Peck went on to be ambassador to Mauritania. Lanham Walker went on to become ambassador to Senegal. If it had a problem, the problem was that we were learning a dialect of Arabic that was sort of extreme. In other words, if you think of Romance languages as a group, we were learning Romanian. It wasn't just that we were learning Maghrebi and that we were learning Moroccan Maghrebi, and we were learning northern Moroccan Maghrebi. I would share that view in retrospect. I would say that there is some question about whether or not it's intelligent to spend that much time on learning a dialect. We also learned (inaudible). We learned the classical language and we learned the newspaper Arabic, written Arabic, which is the same all over the Arab world. So, that part of our learning was valuable and I'm sure that the fellows that went on to become Arabists used it. The only issue that was controversial was is it intelligent to teach dialect, which even expanded. We went through a period when they were teaching all of these small African languages. We had a period where everyone was learning Swahili, which would be main line in comparison to some of the ones. In retrospect, I would say that that was probably a waste of time. There is like an Esperanto where what you do is you take classical Arabic and drop all the endings and it's the way in which educated Arabs will speak to one another where they will use the dialectical verbs and then they'll take these classical words and mix them all together. All educated Arabs will speak to one another in this sort of way, but they have these dialectical differences. I would be inclined to agree that probably all the time that we spent on learning Maghrebi Arabic was not critical. Another argument in favor of why I don't think it was wise is, I thought when I went into the Foreign Service that I would be a political officer. When I went to Rabat, I through a set of circumstances having to do

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with the personnel structure in the embassy, got an economic officer's job, which I did well in and enjoyed. For the rest of my career, that's what I was. I used the Moroccan in daily living in Tangier and in Rabat. I didn't use it at all in my professional work because all of the professionals in Morocco that I was dealing with on economic questions all spoke French. French was the language that we used.

When I went to Algeria, it was suspect because the Algerians themselves hadn't learned Koranic. A lot of them hadn't learned "good Arabic." In fact, other Arabs used to laugh at the Algerians because their Arabic was so "unsophisticated." So, I found when I was in Algeria that since my Arabic was better than their Arabic, they didn't want to speak it, even if we could understand one another. It's got a lot of French words in it. So then French became the language. So, from my perspective, the classical Arabic has been useful afterwards, but the Maghrebi dialect is basically something that I never used after I left Morocco. Once, when I was visiting in Egypt, I started speaking to Egyptians in my Maghrebi dialect, which was sort of part humorous and part quizzical. But then I would sort of shift from using the Maghrebi dialect into what I called the "bastardized Arabic," where I'd sort of speak to them in both. That was what we communicated in.

They used the building because they had the building. They built the new legation in Tangier just at the time when the city reverted to Morocco. So, they had much, much more space than they needed for their consular operations. I'm sure that the reason the school was opened was because the building was available. But it didn't last that long. I forget when they closed it, but I think it was maybe six years later maybe not even that much.

Q: Because it's sort of unique within diplomatic circles, could you talk about life for you and your wife in Tangier during this period? We're talking about '62-'64. Could you talk about what the setup was and the transition and also just about your observations about life there? I think it's interesting to capture.

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DUNCAN: Tangier had been an independent international city. I believe it was set up that way formally in 1923, but I can't swear to that. It remained an international city with a separate customs zone, separate currency zone, until 1960, when it was integrated into Morocco. In other words, it became an integral part of the Moroccan economy. During this period when it was an international city and particularly immediately after the second world war when there were a lot of rationing and currency restrictions and what not in Europe, this was really sort of a Cayman Islands of the time. As a consequence, you had a lot of currency transactions going on. You had a lot of duty free. Probably the stuff was smuggled on into other countries. Everything was available. The tax structure was very mild. The city was administered by consuls, including our own, which was interesting. Were there any other cities where we were in the government? I don't remember.

Q: Not at this time.

DUNCAN: They had the protected citizen operation. In fact, getting back to this Arabic language school, which was originally the old legation (Morocco being the first country to recognize American independence), they had been running a brothel right next door to the legation. The minister kept writing to Washington all the time and saying, "We have to do something. We have to do something about this." They kept saying back that there was no money. Apparently, they had this protected system where consuls would have people under their jurisdiction. There was this onl think he was of Greek origiman who apparently bought the brothel and gave it to the U.S. government in return for being a protected person in Tangier. There was free currency exchange, very low taxation, all the goods were available. So, it was like a bit of a buccaneer sort of environment. I don't know how the homosexual community in Tangier started, but it was certainly British based largely, and it was like second sons of a lot of British aristocrats. It attracted others that came. I would assume you had sort of likLet me put it to you this way: the social structure that you had in the city probably wouldn't come as that much of a surprise to people elsewhere in the world later, but at the time, it was very unique. So, as a consequence, when the

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city reverted and all of the currency dealers and the smugglers and what not departed and the city went into a nosedive because it had been very heavily developed after the war. We got there in 1962, so it was just two years after it had reverted to Morocco. We were very, very lucky because you had very nice apartments that were available at very rock bottom prices because you had this collapse of the economy. So, financially, it was a very pleasant environment to live in. The thing of it is that when the smugglers and the money changers and what not all left, the artsy craftsy crowd remained. They did not leave. They stayed on. I guess some of them may have left, but a lot of them stayed on. So, it had a very interesting environment.

Q: You left there in '64. Where did you go?

DUNCAN: To Rabat.

Q: What were you doing in Rabat?

DUNCAN: I originally was scheduled to go down and be the consular officer. But I got promoted out of it. They wouldn't assign people into jobs below their grade level. I was coming out of the Arabic language school, so the idea was that I should be placed in an area where I could use the language. It happened that they had a vacancy that opened up in the Economic Section. So, while they didn't think of me as an economic officer, they had a slot that they had to fill. Obviously, people coming out of language schools should be sent to the area, so that's how I got another job.

Q: Could you describe the embassy, the ambassador, how he worked, and the operation of the embassy at that time?

DUNCAN: I guess by U.S. embassy standards it would probably fall into the category of a middle-sized embassy. But it was a pretty good-sized operation. We had a large military mission there. We had a large AID mission. The Consular Section in the embassy

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was very small because the consular function was performed in the consulate general in Casablanca. We at that time still had bases. Some of them had been shut down.

Q: This was part of our strategic Air Force, wasn't it?

DUNCAN: It had been. I guess one of the air bases was still there. We had a naval base at Kenitra. They had been even more important. (end of tape)

The trade interest was not great in Rabat because Casablanca was the big commercial city of Morocco. So, the commercial activities were largely centered in Casablanca rather than in Rabat. In Rabat, most of the issues had to do with what you might call economic policy questions rather than actual trade promotion. I would say that our relationship with the country was primarily political/military. That was our main interest in Morocco.

Q: What was our view of King Hassan at that time? He was fairly young, wasn't he?

DUNCAN: Fairly young. His father had been revered and had died not too long before. We came to Tangier in '62. I think he had died just maybe a year earlier. So, he was just new to the throne. He had had a pretty wild playboy life as Crown Prince. As I said, his father was really revered. I think a lot of the reverence for his father and then the religious context because they were Sherifian, were supposed to be the representatives of Mohammed, passed on to him. He knew how to play the role very well. He would be modern in one context and in another context he could play the traditional Sherifian emperor. At the time, of course, I was one of the youngest officers in the embassy. My general impression was that people thought that he was... There were criticisms from the political opposition in the country. They viewed him as an autocratic monarch and what not. But the opposition in the country never got to the point... Even now, he's still on the throne. It was never a situation like Idris in Libya or Faisal in Iraq.

Q: You were in Rabat from '64 to when?

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DUNCAN: I got down there in '64. I was directly transferred to Algeria. It wasn't quite two years in Rabat. I wasn't quite two years in Tangier.

Q: While you were in there, did our recognition and support of Israel come up?

DUNCAN: That was not a problem in Morocco. The royal Moroccan government actually had Jewish ministers. The Moroccan attitude toward Jews was very different from what you had in the East. A lot of Jews had fled from Spain and had settled in Morocco. In fact, even during the second world war when the Vichy government was responding to the Germans on Jewish rounding up and what not, the Sherif, King Mohammad, made it absolutely clear to French authorities that they were his subjects, and there wasn't going to be any nonsense about this. In Islam, the Jewish and the Christians are semiprotected people.

Q: They're people of The Book.

DUNCAN: They're protected people. And the King, the then Sultan, took this very seriously. The French government, the last thing they wanted was to have the Sherifian government in effect creating problems for them. So, they didn't do it.

Q: You had two ambassadors there, right?

DUNCAN: We had two.

Q: Who was the ambassador in Rabat when you first got there?

DUNCAN: It was the lawyer from Paris, Ferguson.

Q: We had talked about this off the tape. I think it's kind of interesting. You were mentioning that he stood sort of on his dignity there.

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DUNCAN: Yes. The Kennedy's apparently knew him. He was a lawyer in Paris. He got the job as a political appointee. One of the main issues for him was the fact that he took very seriously the courtesy of when an ambassador enters the room, people are supposed to stand to represent the dignity of the position. The two famous cases were once when Mrs. Ferguson was having a tea for ladies in the embassy. He came in during the middle of the tea and walked into the room. The ladies didn't get up. So, the next day, all of the officers in the embassy received a memo telling them to please remind their wives that they are supposed to rise when the ambassador comes into the room. People were amused about that because of the fact that it all depended on what Mrs. Ferguson was going to do and she didn't get up.

The other incident was that the way the embassy was designed, there was this glass enclosed waiting room immediately inside the main entrance to the embassy. When the ambassador came to work in the morning, he had to come through this little portico and then go up the stairs. It was part of the waiting room for people coming to the embassy. So, apparently, he came in and walked through the door and people who probably didn't even know who he was who were sitting didn't stand up. So, he had the chairs removed.

Q: These were just private American citizens coming through.

DUNCAN: Yes, or people in consulting with the embassy. To deal with that problem, he had the chairs all removed.

Q: I realize you were a fairly junior officer, but did you have an feeling about how he related to the King and all that?

DUNCAN: How he personally related to the King?

Q: Yes. Were there any developments or issues during the time you were there that sort of stick in your mind?

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DUNCAN: We did have one issue which I was involved in which was fascinating. In order to deal with the problem of the large French land holdings in Morocco, where as part of the independent Morocco, the issue was trying to get the land back to the Moroccans if you want to use it, they had a land registry system. They called it "Recuperation." They were trying to deal with the problem, that it wasn't just a seizure. But they were taking back, in effect. This was the policy framework. They were recuperating what had been taken from them by the colonial administration. In other words, it had to do with the nature of land titles. It was not involved in municipal real estate. It was farmland real estate. We did not think of it as being a problem for us. We were reporting on the policy. It was a very major, major issue in the relations between Morocco and France at that time. Most of these landholders were French nationals. But we as Americans did not think it was a problem in the first instance because we knew that to the degree that Americans own property in Morocco, they owned it in urban areas or in suburban areas, but not agricultural lands. Lo and behold, in the midst of this operation, we had a missionary who had a piece of property where he ran a camp. It was agricultural property in an agricultural area, but they didn't sell the produce. What they did was, they grew produce for feeding the students that came to the camp. But it was like a missionary welfare activity. The issue when it came up was, if the Moroccans couldn't figure out some way to deal with this problem and took it in this recuperation exercise, then the Hickenlooper Amendment would go into effect.

Q: You might explain what the Hickenlooper Amendment was.

DUNCAN: The Hickenlooper Amendment was that if you expropriate American property without compensation, you are ineligible for any assistance. We had a major assistance program in Morocco. Talk about gnashing of teeth! Here was the embassy of this important country and "We're going to have to suspend it" because there was no exception. It had been passed by the Congress basically to make sure that countries to whom we gave aid didn't seize American property. It was sort of nip and tuck and nip and tuck. The French were, to use a phrase, highly interested in this whole situation because

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the Moroccans, on the other hand, couldn't make any exceptions to the general rule because then they would undermine the program with the French. I can remember one particular case. I won't mention the person's name. I will say this: it wasn't the leadership of the embassy, the number one and two man. It was one of the next tier down. Faced with this problem with the missionary, he was saying, "Why doesn't he just give it away?" In other words, the church apparently bought it fair and square. To make a long story short, I was out talking with this guy. I went out and visited him. This was being viewed as a major question. The more facts I was finding out about the case, what I was trying to do was to find a basis by which the Moroccans could make an exception for this piece of land without undermining their objective. We were very lucky because of some of the things I mentioned. When I went out there and visited him and I found out that it was a summer camp and that Moroccan boys came there and it was free. We even had some sons of some of the ministers in the government that had sent their kids there. The operation was not moneymaking at all. There was no commercial sales. The produce that they had was consumed by the camp. We were able to get the thing converted into the fact that this was "not a farm."

Q: It was a charitable institution or something like that.

DUNCAN: That's right. So, when the list of the recuperated lands came out, all the Moroccans had to do was to not include it. It was not included. It's just that by not including it, they solved the problem. The French apparently were absolutely apoplectic. The problem that they faced was, "Well, look, the Americans have succeeded in protecting their people, but you haven't done a damn thing for us."

Q: Your other ambassador was Henry Tasca.

DUNCAN: That's right.

Q: Henry Tasca, who I served under for four years, was a rather controversial figure. Could you tell me a bit about how he worked and also about Mrs. Tasca? She was

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considered by some one of the dragons of the Foreign Service. I wouldn't put her in that category as much as others.

DUNCAN: Ambassador Tasca was a very forceful person. He had very strong views on what he wanted and to get what he wanted. His attitude was very definitely progovernment. In other words, he identified very closely with the Moroccan government. What he viewed as his role with them was as an advocate. My own job at the time did not require me to be involved in types of... I was not, in effect, present in his interaction with the King. But I do recall that at the time what characterized him was the fact that he was an advocate. He was convinced in his own mind that the government of Morocco was very clearly in the interest of the United States and whatever he could do to get the government of Morocco what the government wanted, that's what he would do. That's what his job was.

Q: I think this is in contrast (I want you to correct me if I'm wrong). We've had other cases where people felt that, particularly political ambassadors, have come to Morocco and have been absorbed. The King made them almost his, flattered them and all. So, it was not for the benefit of the United States that some of our ambassadors became strong supporters of the government, but mainly through identification and almost on a social level with the King. But you didn't have the feeling with Tasca?

DUNCAN: You have to be very careful. Remember, at this time, I am probably if not the most junior officer in the embassy, either the lowest or the next to the lowest. My contact with the ambassador was basically as a control officer for his trips. I went with him and his wife on a major trip to the southern provinces. It was very clear that the Moroccan government was making an all out effort to cultivate him. He on the other hand was clearly making an all out effort to promote what he viewed as Moroccan. My impression was that he viewed Moroccan interests and U.S. interests as identical. Whether you feel that the Moroccans conned him into this, that I don't... He struck me as an extraordinarily

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independent thinking person. I don't think he was snookered into it. I think he wanted to do it, for whatever reason.

Q: Also, one has to realize that in the '60s, the Cold War was going strong.

DUNCAN: This was the time of the Cuban Missile Crisis.

Q: So, Morocco was considered sort of a rare but important area for our military, too. If all hell broke loose in Europe, Morocco would have become very important. Strategically, it made very good sense.

DUNCAN: As I said, we had a strong military presence there.

Q: It strode the entrance to the Mediterranean. Anything about Mrs. Tasca? I like to catch a little of the spirit of the times. Did she impact heavily on your wife or others or not?

DUNCAN: Mrs. Tasca was of Italian background from an eminent family in Rome. To try to put a kind word onto it, there was a hierarchical status in society and she was among one of the ruling group. She expected that she was going to be catered to. The Moroccans just treated her like she was one of the royal princesses. In other words, the demands didn't surprise them. There was one famous case where she was complaining about the fact that when she had to go back to Rome, she had to transfer planes in Nice and it was very inconvenient. She would try to see what she could do to get direct service. I remember one particular case that happened to me where she had spilled lobster on her dress. I asked her if she was going to need it tomorrow. She said, yes, she had to have it tomorrow morning. So, I made special arrangements to have a dry cleaner come and pick up the dress and take the dress out and clean it and have the thing back at eight o'clock in the morning for a meeting she had. Having gone through this whole thing and having brought it back to her, she decided she didn't want to wear that dress.

Q: When did you leave Morocco?

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DUNCAN: It was a direct transfer to Algiers. We didn't come back to the States. We just went directly. They were going to have a nonalignment movement conference.

Q: This was 1965?

DUNCAN: Yes. They needed somebody in Algiers. They thought that I was appropriate for the job. So, Washington definitely wanted me to go and they wanted me to go right away. Ambassador Tasca did not want me to leave. So, it was a bit of a shenanigan. I said, "Tell me what you want me to do and I'll do it." That's how it was: direct transfer. We drove. It was a very interesting experience driving from Rabat to Algiers.

Q: What were the relations between Morocco and Algiers at that time?

DUNCAN: Very bad. They had had a war in '63. The problem is that Moroccans view the Algerians as feminine (We're talking about traditional stereotypes.). The Algerians view the Moroccans as camel drivers. So, there is this stressful relationship between the two. Morocco was the only country that wasn't under Turkish control. So, the Moroccans, whenever they would have a battle, they would always win.

Q: We'll pick this up next time with Algeria in '65. You went primarily to look at nonaligned meeting that was going to be there.

DUNCAN: Which didn't occur, but I was sent for that.

Q: You were in Algeria from when to when?

DUNCAN: I was in Algeria from 1965 (I can't remember the exact month off the top of my head) and we were there until the June 1967 war. We left during the ArabIsraeli War in 1967.

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Q: When you went there, was this just a normal followthrough assignment to what you had been doing?

DUNCAN: I had been directly transferred from Rabat to Algiers because they were expecting that they were going to have a conference of nonaligned nations and they were going to need some additional help. So, they had, in effect, created an additional slot in Algiers and direct transferred me from Rabat to Algiers.

When I got there, I was assigned as the commercial officer in the Economic Section.

Q: You say that your main responsibility was the nonaligned.

DUNCAN: Originally, I was being sent there because they believed that I was going to need to help out on that meeting. I'm trying to recall... I think it was not held. The meeting was canceled. I would have to refresh my memory. I'm not sure. What I do remember is, after I got there, whatever the purpose was that I was coming for wasn't used because I worked in the Commercial Section all the while that I was there.

Q: What was the situation in Algeria as you saw it in 1965?

DUNCAN: Our political relations were very bad. The Algerians viewed us as not being friendly to them. There were specific exceptions. I remember during the period that I was there that the Algerians had always had a very warm feeling for President Kennedy because they felt that Kennedy even earlier when he had been a Senator had been a very strong, vocal supporter of independence for Algeria during the FrancoAlgerian War. As a consequence, they had retained great esteem for President Kennedy' (Senator Kennedy) support for them. During the time that I was there, Robert Kennedy came over to represent the family to dedicate a John F. Kennedy Square which was done by the Algerian government in memory of him. That was an exception. Generally, our political relations with Algeria were very stressed. Our political people really did not have ready access to the government. It was sort of an alliance relationship. At the same time that this

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was going on, our economic relations, which were basically private relations, were really rather successful. We were running a very substantial trade surplus with the country. This caused a tremendous amount of anguish for my French colleagues because, of course, the French still had very substantial aid programs there and what not. So, the French were pouring money into the country and were nevertheless running a substantial deficit because the Algerians, in effect, were running a more and more rigid trade program. We, on the other hand, had lousy political relations. We had excellent economic relations. In fact, if I look back over my whole career (Thailand was an exception because we werhaving excellent economic relations there.), if I had to say, of all the countries I served in, what was the country in which relations with the Americans were politically the poorest, it would have been Algeria, but where the relations proportionally speaking were excellent. So, I was lucky because while my contacts with the government officials were limited because I didn't have that much need for it directly, all my contacts for the most part were with the business community and what not. It was not a problem.

Q: What were the forms that American commerce was taking?

DUNCAN: The biggest American involvement in the country was in the oil and natural gas business. Shortly after I arrived, Exxon, which had been exploring in the country, took the decision to pull out. They had been a very big player in the country. The statement at the time was they decided that they were in exploration mode and they hadn't uncovered. They had tried, but hadn't gotten results that at least were satisfactory for them. Sinclair had been successful and continued to operate there. That was the biggest American operation in the country. They operated down in the Sahara and we had a chance to go down and visit their operation in the Sahara Desert. That was the single biggest operation. A lot of the American subsidiaries that had operated in Algeria had operated through their French subsidiaries because Algeria had been an integral part of France. Caterpillar had a big operation there. But it was like the French subsidiary of Caterpillar.

Q: Were there commercial disputes and problems that you got involvein?

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DUNCAN: In terms of problems, we did have expropriation cases. We did have cases of property that had been expropriated by an independent Algerian government. They were usually individual cases. I was trying to remember if there were any major corporate expropriations. I don't recall. Most of them were individual American citizens with property rights and things like that that had been expropriated. We really did not make any progress on any of those questions. The Algerians had so many expropriation problems they had to deal with the French that from the Algerian perspective, even the settlement of a minor issue created a problem with precedent. I had similar problems with that in Morocco, but in the case of Morocco, we were able to work them out because we had much more leverage in terms of our own aid programs and things like that. The thing I enjoyed about it is that when relations were broken during the ArabIsraeli War of '67 and the ambassador ordered that all of our files be burned, I rushed around to make sure that these dossiers with all the documents concerning these expropriation cases were preserved because they would not have created a problem if they had fallen into Algerian hands because we were dealing with a rather open issue. But it would have been extremely difficult for my successors to have had to try to reconstruct those files.

Another major issue that I had to deal with is that when Algeria became independent, right at independence they took the necessary decision of saying that existing French law would be applicable until they took an act to, in effect, substitute Algerian law. One main area from a commercial point of view where this was extremely important was American patents and trademarks which had been registered in France were protected in Algeria because Algeria was an integral part of France. So, that law, as soon as the Algerian determination that until it was changed French law would apply came up, continued to protect American trademarks and patents in Algeria as an independent country. While I was there, the Algerian government passed a law requiring that all people had to register trademarks and patents separately with the Algerian government. These were extremely important issues because patents and trademarks are extremely valuable and the fear would be, if you didn't get them registered in Algeria, then someone could come in and manufacture the

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product because the trademark protection wouldn't apply. So, there was a real Oklahoma land rush of all of this high priced legal talent rushing over to Algeria to try to get their patents and trademarks registered. My favorite story is of one lawyer who came into the office that represented a lot of major companies. We were discussing the problem and he said to me, "Who do you recommend as the best?" We had a list of qualified attorneys. The embassy would say, "You have to choose yourself." He said, "Who is the best?" I said, "I don't know who is the best, but there's no need to go to this one because I know that he has more business than he can handle." I said it was obvious that the guy rushed out of my office and he was going right down to that guy to see if he could outbid his time. My intent was not to say that this was the best. It was just to indicate that this was the guy that was so busy that he didn't have time. I got the absolutely diametrically opposite reaction of "Jesus, if he's got more work than he can do, that's someone I need."

Q: How about on the business level? You're saying that at the government level your relations were not very good.

DUNCAN: Being a commercial officer, my contacts with the government except like in the patent and trademark issue, where I had to deal with them because it was a commercial question, I was not dealing except in very specific, technical areas in the nature of my job. The general political relations, with my colleagues in the Political Division, there was a stressful relationship for them.

Q: What about dealing with Algerian businessmen? What was your impression of them?

DUNCAN: I thought some of them were extremely competent and intelligent. They were operating in a country which had a very strong socialist ideological underpinning. In other words, the government strongly believed that state ownership of the means of production was the right way to go and what not. But that still left many areas in which private enterprise operated. The Algerians had a long tradition of being very good traders. I found they were no problem at all to work with. In fact, I would argue that if the Algerian

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government had opted for a more capitalist oriented system at that time rather than being wedded (They had close relations with the Russians and the Chinese, who were strong influences in the country. Therefore, they were, in effect, opting for their model.) I sincerely believe that if the Algerians at that time had opted more for a capitalist approach, I think the country would have done much better than it did.

Q: Did you see a difference between the Algerians and the Moroccans?

DUNCAN: Oh, very definitely. The Moroccans had, in my impression, a very strong sense of national identity. The French colonialism in Morocco was of more recent date than in Algeria. The French had a planned policy of building the new but preserving the old. The Sherifian government was maintained even though the political power may have been with the French. As a consequence, the Moroccan identity as an identity which was a Muslim country that had never come under Turkish control, which is what made it different, it had a lot of national pride, a lot of national identity. Arabic was widely spoken. Arabic was widely taught. The Koranic schools had always been maintained. The educated people were all bilingual. There was no question when you were in Morocco, whereas you had this modern element like the modern towns next to the old towns, there was no question but that the identity of the country was Muslim and the identity of the country was Francophone, Francophile Arabic.

In Algeria, the 130 years of French colonial rule there had, in part conscientiously but in part just the name of the game, in treating the place as an integral part of France, had really undermined, if you want to call it that, the traditional culture. In other words, there were some Koranic schools. But they were definitely not encouraged to the degree that the French were providing education, everything was being taught in French to meet the French mold. There were widespread school systems and a substantial European origin population. French influence was very deep in the country. I think it was even deeper than many of the Algerians themselves recognize. For example, I remember when I was still assigned to Tangier and I made a field trip over to Algeria, we were invited to go into the

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National Assembly to hear a session. At that time, the speaker of the National Assembly was Gerhard Abbas, who had been one of the nationalist leaders of independence, but he spoke no Arabic. He was strictly French speaking. So, when he got up and started to speak, he spoke in French. In fact, he apologized for the fact that he could not speak in the modern colloquial form of Fossam, which is classical Arabic, which is the formal spoken Arabic. There were a number of Arabic newspaper correspondents in the well of the Assembly. I distinctly remember some Egyptian ones. They started hollering, complaining about the fact that "This is a Muslim country and an Arabic country. You should be speaking Arabic. You shouldn't be speaking French." He sat down. Then after he had finished, Ben Nallah, who was the Prime Minister at the time, got up next to speak. He tried to speak in Arabic, but the colloquial Arabic in Algeria was not only a dialectical Arabic, but it was filled with French words. It became sort of like Creole. He's standing up there starting to speak in this Arabic where every once in a while, he'd have to think of a word. He would throw the French word in because he couldn't think of what the Arabic word was. These newspaper correspondents from these Muslim countries started to laugh at how awful his Arabic was. He came down from the podium and started a slugging match with one of the newspaper correspondents. I use this as an example of what Franz Venome, a Haitian psychologist, described the Algerians as "the damned of the Earth." The point he was trying to make was that over the years of French colonialism, they had been ripped out from what their traditional pattern was, but the French had not really made them all 100% French. Some they had. Some they had, in effect, totally assimilated. But unfortunately, most of the ones that were the most effectively assimilated fled the country and resettled in France.

Getting back to the question of contrasting it with Morocco, the national identity of what is an Algerian, they were still working on that. I think today some of the stress in Algeria between the Islamists and the government, in a way, is even a reflection of that problem in the sense that the revolutionary force wants a nonfundamentalist, secular, if anything quasiMarxist... Women fought in the army in the revolutionary forces. Women in Algeria

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under the French definitely didn't wear the veil. They were very liberated. Now you have the traditionalists in the society which had no influence under the French coming back and struggling where the government doesn't want to go fundamentalists and the fundamentalists are saying the trouble in the country is this "secular," corrupt, godless government.

Q: I'm trying to recapture the feeling at the time. You would sit in on staff meetings and also with the political officers and others. What would you say was the embassy view? I'm not talking about the American government view, but those that were dealing with the problem of the Algerian government and whither Algeria during the '65-'67 period?

DUNCAN: I think it's fair to say that they all felt it was very difficult. The people there in the embassy at the time felt that dealing with the Algerians was difficult. They felt they were dealing with a government which was basically hostile to us. The end of the period in the ArabIsraeli War of '67, we had riots outside the embassy every other night with water cannons out there holding them off. Relations were broken. We were all expelled except for a very small group that stayed as an interests section of the Swiss embassy. The period ended. In the meantime, they had broken relations with the British over the Rhodesian question. One of the big jokes was there was one point there that the Swiss ambassador was representing the Americans, the British, and the West Germans. When he used to walk into the Foreign Ministry, the question was, "Who are you coming in for today?" Q: How did you feel about Soviet influence there? Did you feel that the Soviets were calling the shots, or was it that the Algerians were doing this because the Algerians wanted to do this.

DUNCAN: I think at that time that it was definitely a mutual cooperative effort. The Soviets may have been exploiting the Algerians, but the Algerians really viewed the Soviets as being their friends in the independence struggle and believed that the Marxist model, in effect, was the right way to go. For example, one of our maids, which we subsequently found out for a fact was a spy, was a person put into the household to spy

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on us, her brother had been trained as a jet fighter pilot in the Soviet Union. It shows you the linkages. The Chinese were more discreet than the Soviets. The Chinese and the Russians weren't necessarily on the best of terms at that particular time, but they were both operating there. The Algerians really felt that both of them had lessons to teach them. The one area in the economy where there wasn't that involvement was in the hydrocarbon area, where it had been French and American foreign run. Then they created a national oil company, Sonatrage. I suppose, in a way, you could say it was like a quasiSoviet oil company, but it still had more capitalistic elements in it. I think it's because it still used a lot of Western technology rather than using Soviet technology.

Q: How about Western managerial techniques?

DUNCAN: Yes, because some of the people had been trained in the West, yes. The retail trade, which was still privately operated, was very Western French style oriented. I'm talking about in the state enterprises. In other words, agriculture was definitely not being run on a Western model. It was being run on a Soviet model, with the same catastrophic results. The steel industry, metalworking, was all being done on the Soviet model. The oil industry was state enterprise, but it was marking to the West and it was using Western technology and Western technical expertise.

Q: I'm interested in this because this was sort of a crucial period for Algeria. It was moving much more into the socialist setting. But here was an area which under French rule had really been a very productive area. The hydrocarbons, as long as you're pumping oil and using good equipment, you pump oil. It's there or it's not there.

DUNCAN: But even more important than that, it had as productive aagriculture as California.

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Q: When you turn to their culture, this was a major producer. It really went way back to prehistoric times practically. The French had a marvelous agricultural thing. Were you all monitoring what was happening on the agriculture side and what were you saying?

DUNCAN: The answer to the question is, yes, we were. But by the time that I got there, if you want to call it the fundamental revolutionary shift had already occurred. The land owning, the land managing, the French Colon Latafundia operators were all gone. They had all fled. That land had all been taken over by the state and been turned over to worker management farms. They didn't break it up into individual plots. They maintained it as units. Then it was like Soviet collectivization, only it was used for war veterans. They were resettling war veterans, but seeking to run them as collective farms. The vineyard it was a Muslim country. To use a phrase, they were not good wine producers. They were starting to rapidly go downhill. They were even abandoning them, giving them up. Most of these large collective farms where they used to grow wheat and things like that, the productivity was falling way down. I think Algeria, if it was not then, became a PL480 recipient. In other words, it became a food importer. Of course, the population exploded after the end of the colonial period.

Q: Do we ascribe this or were we monitoring this population explosion at that time?

DUNCAN: Algeria's population explosion was no different from Morocco's. All Muslim countries have very high birthrates, or did. There are some falling now, but at that period, they all had very, very high birthrates. What I'm trying to say is that the fact that Algeria became a food importing country, part of it was attributable to the growing population. But clearly, a large part of the problem was due to the fact that the productivity of the old farms had fallen way down.

Q: Were you catching from Algerians you would be speaking to (You would be speaking more to the mercantile class.) disquiet about the socialist turn?

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DUNCAN: The expatriate group that was still in the country in personal conversations was very vocal on how the country, in effect, was falling apart under this socialist approach. The Algerian business people themselves were not in a mode to publicly criticize the government. They went about and did their business. Telephones were monitored. I told you about how we had spies assigned to our staff and what not. It was that type of state. Algerians themselves did not vocally criticize the government. The nonmembers of the socialist enterprises, the mercantile class, clearly did not welcome what was going on.

Q: Who was the ambassador at that time?

DUNCAN: Jurgen.

Q: How did he run his embassy?

DUNCAN: He was very well liked. He was very knowledgeable. He was an old Arab hand. I enjoyed working for him. He was a very pleasant person. At the end, as we were leading up to the situation where relations were broken, it was the second country, in effect, where relations were broken while he was there. He had been in Iraq previously when they were broken. It was obviously an emotional crisis for him. At the very end, it was sad. He wasn't responsible, but it was the second time in his career in which his tour of duty had led to, in effect, a deteriorating situation that ended in a rupture.

Q: How did you all get out of there? Was there any problem getting out of there?

DUNCAN: A fun story is that I was scheduled to leave on a regular transfer on the following Monday. My boss came back on the previous Wednesday. When he came in and I was briefing him on what the state of play was, he said, "My god, Bob, it looks like we're on the verge of relations being broken." I said, "Mike, they broke them yesterday." We had had riots outside the embassy every other day for about a week or so. I said to him, "Well, things are calming down. We'll wait. We'll be going out Wednesday." A little later that Wednesday, I was coming down the stairs with the chief of station. I said, "We're

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scheduled to leave on Monday and things seem to be calming down a little bit. I think we'll probably wait and go out on Monday." We had passage booked. He said, "Are you one of those that have to stay? Relations have already been broken." I said, "No, we're in the group that will be leaving." He said, "If I were you, I would go." So, I went back to my boss and I explained to him that the chief of station says "If you're released and free to go, my recommendation is that you go." Mike said to me, "Well, the boat that brought me back in this morning is scheduled to leave tomorrow evening. Why don't you see if there is passage on it." So, I called up and, yes, there was room. So, I got in touch with my wife. We had already had our stuff packed up. I said, "We're going to leave tomorrow." So, we all went down to get on the boat. It was right in the middle of the ArabIsraeli War and everything was really stressed. The Algerian immigration officials were very hostile examining us as we left. They swung my car up over and hung it over the smokestack on the boat. They hadn't drained the gasoline out and I thought, "Oh, my god, the damn thing is going to blow up." It was obvious that they were just being disagreeable. So, we got on the boat. The next day, we arrived in Marseille. I had heard when I got there that the day after we left, they called the charge at two in the morning and told him that everybody and particularly the ambassador had to be out of the country within 48 hours. Then they negotiated and there was a little group that was left. If we hadn't left when we had left, we would have had to go the next day with our two suitcases. They called an Al Italia evacuation flight in, a special charter, to come in and take everybody out. It was a close call.

Q: Particularly in the waning days of our presence there at that time, did you feel difficulty with the personal living? You had children in school and all that. Was there a problem?

DUNCAN: In retrospect, I think one of the most vicious things was when our children were going to a nursery school not too far from where we lived. My wife went up to get them this one day. Robert was in the first grade and Susan was in nursery school. The young kids along the street were screaming, "Down with the Americans" and actually, on this one

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particular day, actually started throwing rocks at the kids. These were just infants. It was very, very stressful.

Q: Speaking now in 1995, fundamentalism has become a major element and a very dangerous element in Algeria. Had fundamentalism entered into the picture?

DUNCAN: No, not in the political sense. The only indications that there was an element coming was that under the French regime and under the revolutionary period, equality of women was a very strong characteristic. As I said, Algerian women did not wear veils, except for maybe way in the countryside. In the urban areas and the developed areas, they definitely did not. They went to school like the boys. It was a very French atmosphere. There were indications when we were still there that there was pressure, in effect, reestablishing, putting women back into a more traditional pattern. But there were still a lot of women in the government. There were significant numbers in the government. The secular creed was still dominant. In other words, in answer to your specific question, while there was some increased traditional influence in malefemale relationships, other than that, no.

Q: How about ties not just to the Soviet Union, but with other Bloc countries, particularly the German Democratic Republic, East Germany? Were they doing their thing which they did in so many other places, setting up a very good secret service?

DUNCAN: Oh, yes, definitely. In fact, one of our communicators was married to a German woman. She had relatives in then East Germany. The East German reps in Algeria, which were very active, tried to turn her.

Q: *What did she do? What happened?*

DUNCAN: Being German, she felt lonely. The Germans, in effect, sought her out basically as a social contact. She started associating with this person, who she probably didn't recognize was one who had targeted her. Then after they had gotten to go with one

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another, then they turned to try to get her to put influence on her husband to get him to provide information. He was a communicator, so he had access. Fortunately, she told her husband and her husband immediately told the security people in the embassy. Both he and she were out of the country. In other words, there was no damage done. I think I'm right in say that what the embassy did is standard operating procedure.

Q: I imagine it was. What was your next post?

DUNCAN: When I left Algeria, I came back in 1967 to go to the six month economic studies course in the Foreign Service Institute, which was affectionately referred to by economic officers as Reinstein University.

Q: Why?

DUNCAN: Because the course had originally been designed by Jock Reinstein. It was a program that was designed in six months of full time intensive study to give you the equivalent of an undergraduate major in economics. It was at a time when the general sentiment in the State Department was that economic issues were becoming more important and that, therefore, Foreign Service officers who at my time had been recruited as generalists... I think I may have mentioned in our last meeting that I had accidentally gotten into an economic job in Morocco. I found myself really interested in it. All people who were interested in being economic officers were told that they really should go to Reinstein University, so that's why I came back to take that program.

Q: At the time, what was your impression of it? Afterwards, hobeneficial did you find it?

DUNCAN: Very much so. I think that, being an economic officer, there is a dimension of what one might call academic training in basic theory and particularly in understanding economic linkages and also an understanding of institutions, and then certain subject matters like money and banking, which you can call craft skills. In other words, economic officers are able to do analysis because they have some tools to work with. On the job

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training is valuable, but there are, if you want to call it, craft tools that you need. I found it extremely interesting and worthwhile at the time and it was invaluable to me all through my Foreign Service career. In other words, it was a very intelligent decision that people made as they were coning.

Q: Coning being what?

DUNCAN: That every one of the Foreign Service officers was going to be designated in one of the four Foreign Service specialties either as a political officer, an economic officer, a consular officer, or an administrative officer. They started, if I recall correctly, by that time, they were actually recruiting in cones. So, when I was hired as a generalist, this program was designed to start to give specialized training to people who had been recruited as generalists to further specialize in their specialty. At the end of the program, Francis Wilson was the executive director of the Economic Bureau of the State Department at that time. She was a very forceful lady, for many, many years, probably one of the most dominant forces in the formation of economic officers in the State Department. She had an arrangement with the Personnel Bureau that all of the top graduates out of this economic program she had. In other words, she could take what she needed. So, I was one of the ones that went into the Economic Bureau. That didn't cause any problems for me. I was more than happy to. It was an extremely appropriate assignment. At that time, it was called the Office of Development Finance. Tom Enders was the Deputy Assistant Secretary. Al Sizowskas for a while was Office Director. At the very end of my career, Paul Broker was.

In my assignment, I represented the State Department at the board of directors meetings of the Export-Import Bank. I found that very interesting and worthwhile. I got to know how the Bank works and was really what you want to call major decisions on major money.

Q: Talk about this. What was the State Department's role in the Export-Import Bank and what was the Export-Import Bank doing at that time?

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DUNCAN: The Export-Import Bank was lending money and underwriting insurance to finance or to insure private exports abroad. Some people at the time felt that basically what it was was the GMAC for the Boeing Corporation, but that's because they felt that a substantial proportion of their money was basically being used to finance Boeing aircraft. But it did a lot of export coverage all over the world. They were very, very adamant on the fact that what Export-Import Bank was doing was not providing aid. They were making loans that they had full confidence they were going to be repaid. In fact, one of the major criticisms of the Bank is that their default percentage was so small that some of the professional bankers who came to work in ExIm Bank, who had been appointed as a director, when they first came in on the job, they tended to have a reaction like, "We're not doing enough business. We should literally be having a higher rate of bad loans."

Q: That's built in almost.

DUNCAN: Yes. They expect it. I think because it was a government underwritten organization, not that it cost the government anything. One of the greatest quotations on it was that every year, the Export-Import Bank used to turn over to the Treasury a dividend, profits that were made on its operations. I remember, at that time, somebody in the Treasury, perhaps a Deputy Assistant Secretary, said, "Look, we're really not looking to the Export-Import Bank to finance the budget of the United States." I think that the management of the Bank, particularly the long-term civil servants that worked there recognized that congressional support for their operations was very, very important. As long as the Bank, in effect, was operating in a way that was solvent, nobody was going to complain. The reality was that that was true. If anything, the only complaints were that the Bank was too conservative. It's really interesting. It's an interesting institution. It was established in the '30s basically to lend to the Soviet Union after we recognized the Soviet Union. I think I'm correct in saying that the Bank never in its history up to the time that I was there ever lent to the Soviet Union.

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Q: Can you think of any issues with a country or with a firm that was either debatable?

DUNCAN: I was not a voting member of the board of directors of the Bank. I attended the meeting in order to transmit to the directors the views of the State Department on their proposed transactions, to determine whether or not if we had any problem. In most cases, our inclination, if anything, was to encourage the Bank to be forthcoming because we always felt that to the degree that the Bank could promote American business in the country and the development of the country, this was to the good of the political equation. The Treasury Department was always looking closely at viability and whether or not they were in competition with private lending institutions in the United States. That is, was the Export-Import Bank doing business that legitimately should be in the private sector? That, of course, was not of interest to the State Department. That was not our call.

I would say that the most interesting case that I remember was whether or not the Bank should financially underwrite the Wabasso Dam in Mozambique. The dam at that time, all of the power would have been sold to South Africa. So, the Bank itself was very nervous about this operation. They realized that this was a big chunk of money going into a big project where the payout would be long-term and that if the situation changed in Mozambique or if the situation changed in South Africa, that there could really be a financial risk. So, the Bank, when they were looking at it, was nervous about it. Normally, the Bank, if it felt that thing was a viable operation, would listen to the political commentary, depending, of course, on the level of interest that would get involved in making a decision. If the Bank was going to go ahead on something that the State Department really did not want to go forward with and the Secretary of State was prepared to tell the president of the Export-Import Bank "We do not think you should do this," there may be consultations with the president, I don't know. The thing of it was that in this particular case, the Bank was nervous. The Secretary of Commerce at that time, Maurice Stans, had wanted it and wanted it very strongly. In fact, he had gone to the Portuguese. Allegedly, he had told the Portuguese that he was going to get the deal for them. I don't

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know whether that's true or not, but that was the scuttlebutt. He clearly was very, very strongly in favor of it. He was a very high profiler personality in the administration. The State Department at the operating level was opposed to it not only because it was, in effect, going into Mozambique, which at that time was still a Portuguese territory, but there was the issue of what about the future of Portuguese colonialism in Africa, but for them, the main thing is that the operation was basically going to be proving power to South Africa. This was a major, major problem. Because of Secretary Stand's strong support for it, it had a domestic political element in it. What I remember was, I had gone up with Sidney Weintraub, who was then our Deputy Assistant Secretary (Phil Trezise was the Assistant Secretary at that time.). Nat Samuels was the Deputy Under Secretary for Economic Affairs. They were taking the thing up to go and take the issue into Kissinger to decide what we should do. I remember, we were waiting outside the Secretary's office, waiting to go in and see the Secretary, when Sidney Weintraub and Nat Samuels were talking about the transaction. I remember that Sidney Weintraub said to Nat, "Well, you have to remember, there were an awful lot of people in the '30s right up to the war who were still doing business with Hitler. They felt that business is business and you shouldn't let politics get involved in the business." Nat Samuels clearly responded to that context of, yes, I guess we really have to look at this thing in a larger political context. Kissinger was called away to some other problem, so we didn't go in. But there obviously was a meeting of minds between the two of them. I don't know. I was not present at any other discussions that were taken at that thing up until the final decision was made. But the authoritative statement that came over was, "Yes, the State Department definitely opposes this transaction." The Export-Import Bank went with the view of the State Department despite the outrage of the then Secretary of Commerce.

Q: Eventually the dam was built, wasn't it?

DUNCAN: Yes, I guess later on it was built, yes. But it was not ExIm money. I think it had to do with the power generation element of it.

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Q: The apartheid South African regime was why we didn't do it.

DUNCAN: That's right. And the insecurity of the Portuguese situation there.

Q: Can you think of any other conflicts or decisions?

DUNCAN: Nothing like that. There were things that I think were much less significant. One of the functions I had to deal with had to do with debt rescheduling. Frequently when you'd have a commercial debt rescheduling where a country would go bankrupt or something like that, there was money that was involved in it. So, you had negotiations like that. One of the first was debt reschedulings.

There is one other little thing that I can tell. One of the other jobs that I had is, I used to sit in and represent in this particular case, it would be the Development Loan Committee. The Development Loan Committee was the committee that provided an approval and review and an approval or a denial for AID loans. What I'm trying to recall is whether the regional bureaus were represented on that committee on an ad hoc basis for each case or whether we represented them. I think we represented them. AID was obviously in favor of the loan or they wouldn't have brought the thing forward. So, you would have Treasury and the Bureau of the Budget, all the interested players. That's right. We represented the State Department, including the geographical bureaus. Sometimes what we would have to do was, as the Economic Bureau, we would become like a mediator. Sometimes we would make the AID case for why this should go forward even though there might be a political problem. Then in other cases, the Political Bureau, the regional bureau, in most cases would favor the transaction because anything that's going to help our area is a great deal. So, sometimes you would have a problem of where they had extensive conversations with AID in advance in favor of the proposal and Treasury would have a real strong financial argument against the proposal. We would sometimes have to be a mediator between the Treasury Department and our regional bureau where we thought the Treasury Department

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had a compelling argument for why this should not go forward, we would then be an advocate for the Treasury.

The one that I enjoyed was, we were dealing with two loans on this one agenda. One was, I believe, \$800,000 for some transaction in the Cameroon. I can't remember the specifics of the transaction, but I remember the arguments went on and on, haggling over the trivia of this transaction. The agenda also had a \$250 million commodity loan for India. The commodity loan paper for India with \$250 million was basically opening a line of credit for the Indians to buy American goods. It was like a little, thin, 10 page document. This \$800,000 Cameroonian thing was like a 50 page book. There were different reactions to the thing. The argument over the Cameroon was so bitter and so detailed and the Indian thing came up and there were many, many comments to be made. They would sort of bang the gavel and the representative from the Bureau of the Budget said, "Never in the course of human affairs has so much passed to so many on so little." We joked about it afterwards. We said that the reason there was so much arguing over the Cameroonian transaction is that it was small enough that everybody could understand.

Q: What was your impression of the Bureau of the Budget and thTreasury representatives in these meetings?

DUNCAN: The Bureau of the Budget did not play a major role. They seemed to be primarily interested in outlay. In other words, to what degree was the loan, in effect, going to generate a cash outlay. I think, if I may use the phrase, that they were tending to look at how does this transaction fit into our geo budgetary framework. A \$250 million transaction for a commodity loan which they knew would be dispersed very rapidly, that was of significant interest to them. But an \$800,000 loan that might be dispersed over three years...

The Treasury representatives, on the other hand, viewed themselves as being from Missouri. In other words, if the thing is worth doing, then the thing should be justified,

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the prospects are that the proposal will work, even in an aid context, that the proposal is a worthwhile thing to do. Of course, the Treasury Department was responsible for the multilateral lending organizations. So, there was the issue of AID and the World Bank, the jurisdictional questions. My own view is that, whereas I'm sure that most of my political colleagues from the regional bureaus would think of them as really being hardnosed, that was their function. I found that the dynamic between the State Department and the Treasury Department on economic questions coming together, the whole was bigger than the parts. In other words, with that jury, whatever the final decision was, it was probably the right thing to do. When the Treasury Department could be persuaded on a compelling political argument, they would buy it. They just wouldn't buy it on just "We ought to do this." If a case were made for a real political overwrite, in other words, this thing is a dicey operation, but we have this overriding political concern, they would buy it. It was a real lesson for me. I became, no matter how many problems that developed later on, I became convinced that the so-called interagency clearance process was useful, particularly for this TreasuryState dynamic. Our national interests were well served by that.

Q: Your boss was Francis Wilson?

DUNCAN: No, Francis Wilson was executive director of the Bureau. She basically had an iron control over the personnel program. In other words, she viewed the economic officers as her protegees. She was fighting for their interests and also fighting other bureaus to make sure that the Economic Bureau, in effect, got what it wanted. Some people could be very critical, but I found her to be fair, tough, but fair.

Q: She was protecting her turf.

DUNCAN: Yes.

Q: Which probably was necessary because at the time, if I recall, there were criticisms that the State Department wasn't paying much attention to the Economic Bureau.

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DUNCAN: Absolutely. As I indicated, this whole period was one in which the feeling was that the State Department had to strengthen its economic performance because the economic issues were becoming much more important in our relations. At the end, as a personal operation, Paul Broker, who had then become the office director, urged me to do something on private investment. So, at his urging, I decided sort of an analysis of private investment. The particular issue that we were dealing with at that time was the American business interests were very resistant to joint ventures. They wanted to have it wholly owned. They didn't feel comfortable. I can visually remember at the time Mobil Oil, for example, it wasn't a question of putting the money in, but rather a question of wanting to have ownership control. Of course, many developing countries really did not want wholly foreign owned corporations operating in their country. I went into that job in January of '68 and I was in it until '70, three years. There was a lot of pressure from the business community to have the government try to pressure developing countries into agreeing to wholly owned operations. I think it's fair to put it that way. Maybe I'm stating it too strongly when I said "pressure." Clearly the issue was that from developing governments' point of view, they wanted joint ventures. They did not want wholly owned. The American industry or large portions of it wanted wholly owned. I knew the feeling was, "We want to promote private investment because we feel that that's going to be of mutual benefit." The question was, how do we deal with the structure of investment. Paul Boeker asked me, "Bob, would you please take a look at this question?" Based on all of the issue that I had been dealing with by the end of my three year period, I did a short paper. I basically showed how, when you go from a wholly owned subsidiary on the one end all the way over to a licensing arrangement on the other, which is where you have no involvement (You're just licensing and getting a royalty payment.), that rainbow from one side to the other, the wholly owned maximized the potential profit, but was the highest political risk. The licensing arrangement was the one that generated the least profitability, but was the one that had no political risk. There were lots of other structures on this scale. On the basis of my analysis, I could see how this was coming through. You could show that if you went in on a licensing arrangement, the probability is that you weren't going to have a political

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problem. If you went on wholly owned, you were probably going to have lots of political problems. So, the question is, how much of the tradeoff did you want? How much of the profitability are you prepared to accept for reduced political problems? To make a long story short, I wrote this thing up. It just flew all over the government. I even had a guy on the Council of Economic Advisors calling me up and telling me how useful this thing was. I don't know whether it's true or not, but I like to think that it must have circulated far wider than I was aware of because all of a sudden, corporations started to be prepared to go the joint venture route. Of course, now, that's quite common.

Q: You left there in 1971?

DUNCAN: Yes.

Q: Where did you go after that?

DUNCAN: I went to Harvard. I was sent to Harvard for a year. I had a summer FSI course which was in mathematics for economists. It was a crash course to help the ones that were going on to graduate work in economics to get their math for it. Then I went to Harvard for a year.

Q: Was there a particular focus in what you were doing at Harvard?

DUNCAN: Everything I did was graduate economics.

Q: Was it graduate economics in a particular field or was it generagraduate economics?

DUNCAN: The head of the Economic Department at FSI had certain guidelines about what he wanted the students to take. For instance, he wanted everyone who went (It fell under FSI jurisdiction.) to take at least one theory course. You could choose, as long as you were taking economics courses (They would check your selection.), that which you thought was useful for you. All the people that were in this program had already been Foreign Service officers. So, they knew what were skills that would be useful. I also talked

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to my faculty advisor. I hadn't planned on it when I went there, but he told me that I ought to take at least one course in population economics. I wasn't planning on doing that, but at his strong urging, I decided to do it. I found it invaluable, not only then, but for the rest of my career.

Q: Did you find that having come from both dealing with practical problems in the Economic Bureau and having been taught at the FSI, was there a difference when you were at Harvard as far as how they approached things?

DUNCAN: Oh, yes. For instance, I had Howtacher. I took international trade with Howtacher. We had a whole section. For instance, we were dealing with the Olin Matheson theorem, which is that under conditions of perfect competition and others (for instance, free trade), it can be mathematically proven that there will be factorprice equalization. That is a load of economic gobbledygook for you, but basically, to put it into layman's terms, you can say this: if you have pure competition in both economies and if you permit unrestricted trade between the two economies, then the price of unskilled labor in country A is going to eventually evolve so that the wage rate for the unskilled labor in the other country will be the same. Subsequently, they did some practical studies to see if the theorem worked out in life. Of course, it does in the sense that where this condition is permitting job exports. I remember, Howtacher knew I was a Foreign Service officer and he asked me, "Alright, Bob, do you think that this theorem is correct?" I said, "To be perfectly honest with you, I think it is correct, but I think governments are established to make sure it doesn't happen." It's what we're talking about right now. This is the problem of exporting jobs and all this sort of stuff. Here we are, going from a highly constructed, theoretical model and be differential calculus, you are proving that you're going to get this wage rate equalization. But you're dealing in a model which is divorced from the real world. That's the way economics are. Economists create a theoretical model to understand linkages and then they look in the actual data to see if this is what's happening.

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Q: Did you get any backlash of the antiVietnam thing at that time, being a Foreign Service officer, or was this pretty much over?

DUNCAN: I don't recall that that was a major issue. We're talking about in the Harvard context at that time?

Q: Yes.

DUNCAN: I don't recall that as a major issue. What was a major issue had to do with the affirmative action programs and African studies and things like that. In other words, that was a major source of discord on the campus at the time.

Q: What do you mean it was a source of discord?

DUNCAN: You had a very activist group of minority students on the campus who were demonstrating in terms of whether they were getting respective treatment or not. You had other students that felt that this was a waste of time. I guess you'd call it the integrationist versus the... What had happened is that they had an affirmative action program that increased the number of blacks that were being admitted to Harvard, but then they were finding that some of the ones were having difficulty with the regular program. So then they were designing special programs for them. That was a big issue.

Q: You left there in 1972?

DUNCAN: Yes.

Q: Where to?

DUNCAN: Addis Ababa.

Q: You were in Addis Ababa from when to when?

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DUNCAN: 19721974.

Q: What was your job in Addis Ababa?

DUNCAN: I started out as the head of the Economic Section and then when the then AID Director, Roger Ernst, left, it was a combined StateAID operation. When he left, he recommended that it could be kept together, but I should be made the head of it. But that posed problems. At that time, I was not a senior officer yet. So, he said, "Well, then it should be broken apart." I was made economic counselor. In other words, I was raised from the head of the Economic Section in a combined thing to an economic counselor in my own right. I also had a second hat. I was the United States representative to the United Nations Economic Commission for Africa.

Q: Who was ambassador during this 19721974 time?

DUNCAN: Ross Adair.

Q: He came from where?

DUNCAN: Indiana.

Q: Could you explain a bit about his background and how he operated?

DUNCAN: He had been a Republican Congressman from Indian. If I recall correctly, they had redistricted Indiana. After they redistricted, he lost the next election. I think he had been on the House Foreign Affairs Committee. He was given the job by the Nixon administration. He was out of a job, to use a phrase. He was a political appointee and I assume it was because of his political background that he was selected. He was clearly a political ambassador.

Q: This was taking a Congressman from Indiana. Tell me about how hoperated.

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DUNCAN: In many respects, he was one of the most wonderful ambassadors to work for simply because of the fact that his motivation was always constituency service. So, as a consequence, his subordinates in the embassy became his constituents. As a consequence, he wanted to “do the right thing.” But unfortunately, he also began to think that the American people were his constituency. As a consequence, he started opening up the embassy to have tour guides come through. American tourists would be routed into Addis Ababa and then they would come up in busloads. He would entertain in the residence these tour groups. As the word was passing around, it became one of the things to do. So, I remember, the administrator counselor had to sort of encourage him to see that you can't just let yourself become sort of part of the itinerary for every tourist. You have the problem of, if you're going to say “Yes” to one, you can't say “No” to others. He must have been extremely well liked in the Congress because he was always encouraging his former colleagues to come out and visit him. We used to get planeloads of Congressmen coming out. It wasn't just a junket. They were coming out to see Ross. I remember one particular incident had to do with the sugar quota. There was a Dutch interest in Ethiopia that was trying to see if they couldn't get a sugar quota for Ethiopia. This was a very political issue in the United States. So, as a consequence, we were talking about it. The ambassador said, “Well, wait until I get my boys out here.” The Agricultural Committee members were all out there. It was an unusual way to deal with a problem. It was extremely direct. We were explaining to the local industrial interests, “You know, you (inaudible).” He was a very pleasant man to work for. He learned.

Q: What was the political situation in Ethiopia during this 1972-1977 period?

DUNCAN: It depended on which part you were in. There were there main factors. In other words, the Emperor had his 80th birthday at the very beginning of that period. He was getting on in years. He was becoming a bit detached from the daily running of the country. There was some effervescence, but I would call it a moderate... The Ethiopian Revolution, I always said that somebody ought to write a book some day to compare the

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French Revolution with the Ethiopian Revolution. I believe that, if there is an anatomy of a revolution (There was a famous guy, maybe Palmer, who wrote a book called "The Anatomy of a Revolution.")... Being familiar myself with the structure of the French Revolution, the linkages with the way that the Ethiopian Revolution evolved is incredibly similar in its main characteristics. What you had at that period was a group which, for lack of another word, we'll call our evolved middle class, small, but very concerned about the rigidity in the society, the desire for change, for greater democracy. The Emperor himself had been quite a revolutionary in his own right when he first came to power in 1913. So, as a consequence, he had been enlightened, but as you say, it's like a Franz Josef. He comes to power in 1818 as head of Austria. You had this effervescence, but it was definitely what we'll call moderate revolutionaries not "off with their heads."

There was the poverty problem, a very serious problem. But I think the thing that precipitated it was that they had a very, very terrible drought and it led to a terrible, terrible famine. The government was covering it up. They weren't, in effect, being open and honest about what a catastrophe this thing was for the country. As a consequence, they weren't mobilizing the help for the country that they could have if they had been up front about it. I think that, as the famine progressed, the exasperation level grew. In February of 1974, they had the first deposing. They had a military coup. The drought was the preceding year. I arrived in the summer of 1972. There was a drought all that year and the revolution was in 1974. Then we left in June of 1974. The Emperor died in October. I don't know if they had the absolutely final that he was killed, but it is certainly widely believed. I remember, we were back here in Virginia and we had an Ethiopian friend in our house. The phone rang and a friend at the Ethiopian embassy was calling to tell him. He spoke to him on the phone, then came back to the table and told us that there had been a massacre, that a lot of the Ethiopian elite and not necessarily aristocrats only, a whole load of them had been massacred. You can call it the beginning of the Ethiopian terror, like the French "La Terreur." It was at that period that the Emperor died.

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Q: Passed from the scene completely.

DUNCAN: Yes. The rumor I heard was that he had been smothered.

Q: That's what I heard, too.

DUNCAN: I don't think that's ever been definitively proven.

Q: I don't think so either. People just don't pay much attention. Going back a bit, you were economic counselor. You had this famine that the government was trying to cover up. Were we picking up that there is a famine out there and we should do something? Were we trying to do anything and running against problems with the government?

DUNCAN: The issue of the famine relief basically fell under the AID mission. They were, in effect, saying that "You have a horrendous situation here." We were telling the Ethiopian government that "You have a major problem here." We didn't go to the press. We weren't publicizing... At the beginning, we did not know how bad the thing was. When you get out into the countryside, it's a very difficult country to travel around. Not only is it a very difficult country to travel around, but as subsequently evolved, when the relief thing started to begin, it's a very difficult country to aid.

Q: There are those tremendous chasms between roads.

DUNCAN: Airlift becomes the only means. An airlift is not on extremely expensive, but you can't carry that much stuff with it.

Q: What sort of reaction were you getting when you would go tEthiopian officials?

DUNCAN: I never discussed with an Ethiopian official this direct issue myself in the period that we were talking about because this was an area that the... Remember, at that time, I was part of the joint mission and that was the AID Director with the AID program.

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Q: What was the AID Director saying about it? Were we saying, "Let's all get together and work on this" or something like that?

DUNCAN: As far I know, yes. The first thing they were trying to do is, they were trying to get a picture of the problem. Obviously, if you're going to have to justify the relief, you were going to have to find out what the problem was. The problem there was that the Ethiopian government seemed to be covering it up. I remember at the time people saying, "Gee, the situation must be terrible because people are coming into the city and their selling antiques." They were crosses and things like that. For people to sell that to get money, they must be desperate. That's how the feel of it was. But the government during this period was not coming and saying, "We've got a disaster on our hands."

Q: Was this a reflection of the senility of the Emperor? He ran things and if he wasn't overly compus mentus or didn't want to be troubled or what have you, the government responded that way?

DUNCAN: We can always speculate. I think it's very clear that the Emperor was showing his age. I had a few contacts with him, but it was in an audience environment. So, he seemed to be functioning effectively. But people who had more direct contact with him than I did say that he was showing signs of his age. The government, I assume, didn't want to publicize the nature of the disaster because they were afraid of a popular revolt, which eventually happened.

Q: How did the Revolution impact on you? What were your experiences?

DUNCAN: The first impact of the Revolution was that we had a number of Americans in the country and we had to get them out. We had advanced inkling we were going to have trouble. So, I had gotten word the night before to contact Americans when we knew where they were to tell them to stay in. So, I called up this one couple in the Hilton and told them to stay in. They said, "Well, we were planning on going to this restaurant because

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we've already had food in the hotel. We have reservations tonight to go out to this other restaurant and that's what we want to do." I was explaining to them that I could not order them not to go to the restaurant. If that's what they were determined to do, that they could do. But my instructions were to let them know that the embassy had information which would make it prudent not to go out of the hotel tonight. After going back and forth, they said, "Well, alright." The Revolution, of course, broke out that night. The next day, this particular couple went down and hired an Ethiopian taxi driver to take them on a guided tour of a whole group of sites that they had. Apparently, what happened is, whenever they would mention a site, the cab driver was well clued into the events of the day, so he knew where the fighting was going on. When they would select a spot where they were shooting, he would say, "Oh, no, we can't go there." Then they would mention something else and he would say, "Yes, we can go there." So, he spent the whole day taking them around on their guided tour, keeping away from the fire fights. We were being mobilized from other functions. The next morning when I went down to the hotel to get these people on the plane that we had to evacuate them from the country, the guy, the tourist, says to me, "I think you people are really exaggerating the problems around here because we were going all over town yesterday and we didn't see any problems at all."

Q: After you had had this group that had come through and had seen no trouble in Ethiopia at the time, could you talk about what happened thereafter?

DUNCAN: I've often thought of the Ethiopian Revolution as being modeled on the evolution of the French Revolution. When this period took place, there were many Ethiopians who were not aristocratic, but middle class people not aristocratic in the sense that they weren't of the titled nobility. They basically were welcoming the revolution because they thought that it would break the power of what they thought was an anachronistic and, in effect, aristocratic regime. So, there was this period that extended until October of 1974. We left in June of 1974. The Revolution began in February. One can argue that the beginning of "La Terreur," to use the French analogy, began in October of 1974. Our Ethiopian friend had been told a number of the people that had been

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assassinated which were friends of his. Many of them were friends of his and people that we had known. Some of them were actually people who, based on comments they made to us, had more or less welcomed the earlier February revolution. Here you have a case of where the revolution, in effect, was starting to consume its own. I suppose, looking back at it, both Faith and I think of that situation as being so sad because the Ethiopians were in certain respects less developed than many of the colonized African countries, but they had achieved quite a bit on their own. The most notable example was the Ethiopian Airlines, which had become a world class quality airline. I think I'm correct in saying that at that time the aircraft facilities in Addis Ababa were the only facilities outside the United States that were FAA approved. The subsequent period set them back a generation.

Q: You left Ethiopia when?

DUNCAN: In June of 1974.

Q: What was your assessment at that time of whither Ethiopia? Maybe you can say what you were getting from the rest of the people in the embassy.

DUNCAN: You mean at the time that I was assigned there?

Q: At the time you left Ethiopia. I'm trying to capture the attitude of our diplomats and your attitude. Where did you see Ethiopia going and developing at that time?

DUNCAN: I had the chance to meet the Emperor once. He was a small man, but had an absolutely incredible personal magnetism. I mean, his eyes were extraordinary in their power. You have to see it. It's hard to put into words. But at that time, it seemed very clear to me that this was a man who was in his 80s, he had been a revolutionary in his time, but he was showing his age. It is inconceivable to think that it was possible for a man like that to, in effect, have effective dictatorial control. The Crown Prince was very clearly weak. I think most people's reaction was, when they were looking down the pike, they couldn't see that an absolute monarchy, in effect, was going to continue in that country.

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The wherewithal was not there. It was also clear when I was there that the famine that was there was a real problem. The Ethiopian government was not revealing the dimension of the problem as serious as it was. But I think that the subsequent problem was going to grow out of the exasperation, if you want to call it that, of the people at that time. You really had three groups in the country. You had the Eritreans, the Tigranyan, and the Amhara, who shared a common tradition in many respects, but clearly there was antagonism between them. It was obvious in the reaction that, even though the Tigranyan and Amhara had a lot in common in terms of the other groups in the society, nevertheless, there was a very strong antagonism between the two. I am not surprised now to see that Eritrea eventually, in effect, became an independent country because despite all the stress and strain and everything that went on, it was clear when we were there that the Ethiopian efforts to maintain the unity of the country was facing quite a bit of opposition many years after the (inaudible) began.

Q: We have a doctrine that we've held to for a long time, since the freeing of Africa, in that once you started breaking this continent down on tribal lines, it was impossible, utter chaos. We were trying to hang together and not allow that to happen. It does appear that in a certain way Ethiopia was kind of an exception. We didn't feel that these divisions in Ethiopia would cause the same chaos that it might in Nigeria or the Congo. Was that a feeling that was at all prevalent in our embassy?

DUNCAN: Are you talking about the government's policy?

Q: *I'm talking about the American Foreign Service Africa Bureau attitude towards Ethiopia at that time.*

DUNCAN: We still had a significant military presence there. There was a very unusual relationship between the Israelis and the Ethiopians. There was a strong and important Israeli presence in Ethiopia. I think that there was no policy problem. In other words, the Emperor was viewed as an eminent historical character. As a consequence, while the

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people may have wished that the country would have made certain progress in certain areas, I never had the impression when I was there that we had any different attitude toward it as Ethiopia being a friendly country to the United States and the regime being a friendly regime to the United States.

Q: Was there the feeling that Ethiopia just has to hang together?

DUNCAN: The Ethiopian government policy was to maintain the internal unity of the country. While I was in the Economic Section, not in the Political Section, I am not aware of any time when anybody was advocating that the country break up. The country's policy was that they were united and we were behind the unity of the country. We didn't think of the people in Eritrea as being friendly. But the thing of it is that it was clear that we were dealing with an empire and there were these tribal and to some degrees even racial, ethnic differences. These differences coexisted with what you might call economic class differences. In other words, you would have an Amhara middle class and you would have a Gala middle class. There tended to be a pecking order. The Eritreans thought of themselves as the top, although the Amhara (and maybe this was the source of the stress between the two of them) never permitted the Eritreans, the Tigrinya, in effect... Maybe they thought they were the best, but they would challenge that. I think that may have been an element of stress between them. Then you have the Gala. Then you have what they call the Shankela, which were the more Bantu. Then, of course, in some parts, you have the Muslims. I think what it was is that I don't think that we appreciated because they themselves didn't stress it so much how serious these tribal divisions were. In other words, I think that a lot of the revolutionary activity does have tribal routes. In some respects, you can think of it like a Gala revolt against the Amhara. But we would know people who were not aristocratic. My contacts tended to be businessmen who were clearly Amhara and businessmen who were clearly Gala. They themselves would never speak in terms of tribal. They didn't identify themselves that way. They were identifying themselves as being nonaristocratic, if you understand what I mean. I'm talking now about the bourgeoisie type deal. I think that there was still this deep tribal conflict issue in the country and I don't think

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that we understood how serious it was. The Muslim-Christian thing you could understand, but I don't think we understood just how the Amhara-Galla relationship was.

Q: It makes good sense. You left there in the summer of 1974. Where did you go?

DUNCAN: In 1974, I came back to Washington. I became the director of the Economic Policy staff in the Bureau of African Affairs.

Q: You were there from the fall of 1974 until when?

DUNCAN: It would be 1974-1977. I was in the Bureau of African Affairs from 1974 through the summer of 1977.

Q: Your title was what and what was your responsibility?

DUNCAN: I was the director of the Economic Policy Staff of the Bureau of African Affairs.

Q: This was for all of Africa save the Northern?

DUNCAN: At that time, I think North Africa was in the Near East Bureau.

Q: I suspect it was.

DUNCAN: It had been in the Africa Bureau, but I'm pretty sure that the northern tier was in the Near East Bureau. I do not remember having to deal with any operations there.

Q: Who was the head of the Africa Bureau? Were there several heads?

DUNCAN: It was Bill Schaefe.

Q: Did you catch from him any attitude towards Africa? G. Mennen Williams was a very great optimist and proponent of Africanization and that everything was going to be fine. How did Schaefe approach Africa from what you gathered from him?

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DUNCAN: He was a professional Foreign Service officer, not of a political background. I thought that he was professional, definitely tried to do the best that he could. One problem that he had to deal with during this period was the whole issue of South Africa, which I didn't have to worry about. That was not something that I had to deal with at all. But that was a constant preoccupation at that time. Also, Zaire was a preoccupation. I would not use the word enthusiastic. I would more use the word sympathetic. I think that he was sincerely interested in the welfare of the Africans and I think he was trying to do his best. Hank Cohen falls in that same category. Hank had African experience. They were very similar, I thought.

Q: On the economic side, what were your principal preoccupations?

DUNCAN: Our principal preoccupations were that we were involved with the review of all of the development loans and the PL480 operations. I was constantly involved in negotiations with the AID and with the Economic Bureau and then through them with the Treasury and Export-Import Bank loans, economic activities. I had a commercial officer, but he would be involved in trade promotion activities and all the stuff connected with promoting trade in Africa. But I spent most of my time dealing with development loans and things like that.

Q: When you arrived there in 1974, by this time, it was probably the Ford administration, wasn't it? Ford started in August of 1974.

DUNCAN: Yes. The Watergate problem had finished.

Q: Henry Kissinger was Secretary of State. When you arrived and were sort of reading yourself into the job, what were you getting about the viability of loans? Was this sort of an economic basket case and we were trying to do something? Was it just a holding action? What was our feeling towards this?

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DUNCAN: We were dealing with a very difficult problem. Frankly, I think in many respects that it went off the rails. The problem was that there was a great lack of interest in the Congress for infrastructure investment, into roads and railroads, and things like bridges and what not, which they had before. I'm trying to recall the Congressman from Alabama. He was very famous at the time. I can't recall his name. I remember when we were up arguing about the thing that he said, "I can't get public works projects for my district in Alabama. If I can't get federal funding for my district, how can I argue that we ought to do federal funding for roads in Africa?" I think that may have been cover for something else. He may have been that blatant and that simplistic. The bottom line was that foreign aid was not popular, that spending money for foreign aid was not popular, and infrastructure projects basically use a lot of funding. So, the AID as an agency was shifting over to a policy of "We're not going to deal with infrastructure projects. We're going to deal with basic human needs." In fact, it's not just my own personal feeling. I remember one general counsel at AID told me that "Bobbitt will keep us alive for one more year." But the thing of it was, they were shifting into an operation where it was not clear by any matter or means that this was sufficient use of funding.

Q: It was really for administrative political maneuvering to get money, as opposed to what would be best.

DUNCAN: I think some people were well meaning, but I think what the problem of it was was that the system was at risk. Aid was politically unpopular. So, the idea was, find a rationale. I don't think that was entirely the picture of the case, although I'm sure some people were doing it. They were trying to design a program which would gain political support. It would get the funding for the organization to survive. The way the program evolved as far as I was concerned, it was increasingly involving into a program where most of the aid money was being spent on hiring consultants in America to, in effect, advise foreign governments. In some areas, it was useful, but in a lot of areas, they particularly didn't want it. They didn't think it was appropriate or useful. As you can see,

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I'm very jaundiced. My attitude on this whole thing is, I think they were moving away from what worked but was expensive into things that were politically saleable for which a constituency had developed, but in terms of its effectiveness, I had very serious qualms about it. Back in Ethiopia, I remember the problem of the fact is that they could only build feeder roads. They couldn't build main trunk roads. So, here they were building these beautiful feeder roads in Kefa province, bringing the crops in from the countryside, but they couldn't put a dime into the only road out. So, you still had a bridge built by Mussolini over a river where every time you drove over it, you got a flat tire because the guidelines, in effect, wouldn't permit you to...

Q: Why was that?

DUNCAN: Money! That's the reason why.

Q: Let's go through some of the regions. How about the old French West Africa? Did we have much dealings with that from your perspective of loans and all?

DUNCAN: No. We did lending in French West Africa, comparatively less than we would in some of the Anglophone countries because the French themselves did a lot of activity. But in the area in which we were operating, we had loans all over the maps. Some places like Gabon there were problems because of the oil wealth of the country and what not. But it was little bitty things basically, little projects everywhere. That was the reflection of this basic human needs philosophy.

Q: What about on the East Coast of Africa, Kenya, Uganda, Tanzania, Angola?

DUNCAN: Uganda in this period was pretty much out of commission.

Q: It was Idi Amin's period, so it really didn't register on you loan chart.

DUNCAN: No, not in the area. But there were big operations in Kenya, not a bilateral operation, but a regional operation. Tanzania, the Scandinavians had pretty much taken

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on Tanzania as their favorite case, if you want to know what I mean. That was a very socialist country. It was a poor country. As I'm thinking about it, I think that our involvement in Tanzania was not major.

Q: I've heard somebody refer to it as Tanzania, which was this love of Julius Nyerere, who could charm everyone and he was performing basically a disastrous economic makeover of his country along Fabian socialist lines, which almost destroyed it. With the willing complicity of particular Scandinavian countries.

DUNCAN: He was viewed as a nontribal honest man. But the point of it was that he was absolutely an ideological socialist. He really and truly believed. I think that's why the Scandinavians, like the Swedes, were very sympathetic because they thought that he was an African with their model.

Q: This, of course, is often what can happen. There is a certain amount of condescension. You're doing fine as long as you do it in our image as we get caught up. If somebody has free elections and sort of makes the right noises, we don't look at them in a realistic sense. Once somebody is tagged as being a real democrat... Were there any bureaucratic battles or particular problem areas during these three years from your perspective that you got into on loans or other elements?

DUNCAN: The major issue at the time was dealing with the Sahelian drought. In other words, in the whole in all of inland West Africa, pretty much to the coast, there was this major disaster of this drought conditions and expansion of the desert. The development side was trying to figure out what we could do about this. No one had any answers. From a purely economic point of view, and I don't mean this totally cynically, the answer was that the best thing would be to move them. It would be cheaper just to move them out than trying to hold back the desert. But the political structure was such that we didn't have... You had movements of population, but massive resettlement wasn't basically a political option. So, people were struggling desperately trying to deal with what was truly a global

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disaster dimension and trying to handle that thing. I remember when I had gone over to study West African economic integration. Washington sent me over from Addis Ababa. Because of a sandstorm, I left Ouagadougou in a truck. You got a third of the way paved. This was going to Niamey in Niger.

Q: When was this?

DUNCAN: This was back about 1973. A third of the way, it was paved. A third of the way, it was laterite. Then the last third into Niamey was paved. In the winter months, the rainy season months, they had to put chains across the road. They couldn't let any trucks on it. If they did, they would tear it all up. So, I was saying, "Why don't you pave that intervening space so it can be used year round?" The answer was, "The traffic doesn't justify it." I said, "It's not justified because you put a chain across it." I'm getting back to this problem with this basic human needs thing. Here was this disaster, but the thing you couldn't do was you couldn't do infrastructure projects. What would have been, in my humble opinion, the most useful thing to do around there would have been to pave the other sections of that road. That Sahel problem was a lot of sincere effort in emergency relief, but even more than that, what can you do for development? There was the whole problem of digging wells. Are you actually aggravating the problem rather than helping the problem. There was a terrible amount of frustration. There was tremendous interest, tremendous concentration of effort, and meager results. I'm talking about a major problem.

Another major problem, which did not concern me, was South Africa. Just for the record I'm mentioning that. They had their own economic officer. Obviously, we were not interested in providing development assistance to South Africa at that particular time.

Another major problem was the Zaire situation. There was tremendous frustration with Mobutu, watching the continued disintegration of the country. The bottom line always came when everyone would sit down and they would say, "It's really awful, but what is the alternative?" The feeling was that you can't do anything because of the administration or

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lack of administration that you're dealing with. One of our big operations was the formation of the Africa Development Bank, our getting involved in this bank. I went over to attend their annual meeting in Zaire. The head of the Italian delegation was a woman. She was staying in the Intercontinental Hotel. She stepped off the terrace in the evening after dinner, just stepped out into the garden to go for a walk, and she got mugged. So, she staggers back into the hotel black and blue. Of course, that kind of story is spreading through the community and what not. Word got to Mobutu that the head of the Italian delegation had been mugged right outside the archlights of the Intercontinental Hotel. He summoned her to his farm palace. The poor woman, who had already been beaten up, had to take a long trip in a caravan out to this palace so that Mobutu could apologize to her for the treatment that she had. It was the last thing the woman wanted.

Q: Within your Africa Bureau ranks, as far as aid to Zaire, did the Cold War come into account, if we don't do it, the Soviets will do something there. Was this at all a concern?

DUNCAN: Yes. You definitely did not want Zaire to fall under Soviet control. You had the French and the Belgians engaged in constant competition for influence in the country. So, if anybody wanted to put on the spurs... Subsequently, everyone sort of turned against it. This time, this was not the case. In other words, the French wanted to expand their influence there as a Francophone country. The Belgians were very resentful of the French, feeling that they wanted to displace them and what not. The Belgian expatriate group there in Zaire at least in my limited experience of being there was unbelievable. We were staying at this hotel and there was this Belgians who was sort of the manager. There had been some particular problem that this woman had complained about. He summoned the whole staff and got the whole staff out in the middle of the lobby of the hotel and started screaming out them. I was laughing. I said, "In Ethiopia, if a white man had behaved like this, the guy would have been thrown out of the country on his ear." No wonder the Zairois were not effective in running the country because their colonial experience had obviously not tried to bring them up. It was just awful, it really was. No one was under any illusion.

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I think it's important for the record to understand that anybody that had to work with Zaire was absolutely exasperated. But the bottom line always was, what's the alternative?

Q: Was the main concern about the alternative just plain disintegration into warring tribes, or was it concern about Soviet influence from our point of view?

DUNCAN: I think both. In other words, no one could see a replacement for Mobutu. No one could see on the horizon a person who could, in effect, take over. So, I think your analogy in talking about disintegrating into anarchy is certainly the fear as is the idea that the communists would seek to exploit that.

Q: *What about the Portuguese Angola/Mozambique at that time?*

DUNCAN: They were just granted their independence.

Q: *The antiSalazar coup was in 1974.*

DUNCAN: The Portuguese, in effect, were moving to freedom. The Portuguese weren't fighting, in effect, letting them go. I know from my own perspective why part of the problem was. It is that the Angola and Mozambique, in effect, were in the Office of Southern African Affairs. So, they were handled by the same people that handled South Africa. I remember a major Export-Import Bank loan, but that was earlier. I don't recall any major problem that I was dealing with having to do with Angola and Mozambique. I'm coming to the conclusion that the reason why was because that was being handled separately. My economic policy staff did not deal with South Africa.

Q: *Were you consulting with the Treasury Department, the CIA, anall this?*

DUNCAN: Yes.

Q: *Were there differences of attitude? Was their informatiodifferent or was the approach different?*

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DUNCAN: It was not a priority for other agencies. Africa was not a priority. Maybe certain parts of Africa were. I can't speak for South Africa. But it was not a priority. In fact, I would say my major achievement was establishing the African Development Fund, which was the soft loan window of the African Development Bank. It was a constant uphill fight with the Treasury Department. Can't the World Bank take care of what needs to be done there? Are these people really going to be able to handle this? It was finally done as a political act rather than an economic act. In other words, when you say, yes, I did consult with all these other people and I would say that it was very low on their priority list. Africa was very low on their priority list.

Q: It sounds like a time of some frustration.

DUNCAN: It was. After I had served in Ethiopia, they wanted me to come back to the Economic Bureau. But I decided that I wanted to go back and work in the Africa Bureau because I thought that the experience that I had in Ethiopia, not only as the bilateral there, but I was also the U.S. representative to the Economic Commission for Africa at the UN. I really felt that I had a background that could be useful. But I was very frustrated, extremely frustrated, with the way USAID was going. I felt that this program maybe served bureaucratic interests, but it wasn't effective.

Q: What about the Horn of Africa? Now you're looking at Ethiopia from a different perspective and Somalia. Ethiopia was, of course, going through its crisis. From your perspective, development and all that, was there much action in either Somalia or Ethiopia?

DUNCAN: In Ethiopia, we were dealing with an outright hostile government to us. I forget when we went down to an interests section, but there was nothing that we were able to do in Ethiopia at that time with that government. We weren't spending money there or anything like that. In Somalia, we were going on with our activities.

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Q: What was the feeling from your perspective as far as what we were doing there and how they were responding in Somalia?

DUNCAN: I don't recall any specific thing.

Q: It was probably small potatoes.

DUNCAN: It was certainly not a major problem for me. By that time, the Ethiopian issue was a political problem.

Q: In 1977, you left and went where?

DUNCAN: I went to the National War College.

Q: You were in the National War College from 1977-1978. That was where?

DUNCAN: Fort McNair.

Q: What was your impression of your time there, what you were getting out of it?

DUNCAN: I enjoyed it immensely. It was an absolutely delightful year. I think that the thing that I thought was so wonderful about it was that the agenda... They had picked people who they felt were going to be career leaders in the government. The uniformed services had the largest percentage, but we had Army, Navy, and Air Force. They were all people who they thought were general material selected for it. The State Department contingent were all people who had senior Foreign Service officer potential. Then we had a CIA contingency. I think we had one or two from Commerce. There were little bits here and there. But the thing that was so wonderful was that the agenda was for us to consider what we believed to be the major strategic policy issues that the United States was going to face in the next decade, that is, the decade to come, and think about those problems and think about what we should do about them. Of course, it was the whole gambit of everything. The thing that was so great was that when the people first arrived,

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they came with their own agency perspective, but as time went by and people got to know one another, they would begin to look at the problems with a more open mind. In other words, they weren't defending an agency. They were trying to figure out what to do. It was really interesting to see how with the sharing of the experience and the sharing of the expertise we would work effectively in tying together all the experience and knowledge that we had to come together to try to look at the problems. I think you might be interested in knowing that there were quite a number of problems that we had viewed as major issues to be dealt with. On most of them, we came up with what we thought were pretty feasible solutions, which tended to work out for instance, the strategic oil reserve and things like that. But the one area where we looked at a major problem that we were going to have to face was the Mexican border and we couldn't figure out a feasible solution.

Q: You're talking about illegal immigration coming across the Mexican border.

DUNCAN: Right. Everyone thought that this was going to be a major problem of the next decade, but we couldn't figure it out. We could figure out solutions, but they weren't feasible. They might be technically feasible, but they weren't politically feasible.

Q: You're talking about fortifying the border.

DUNCAN: Yes. You technically could create a largely impenetrable barrier, but as we said, when the first child gets electrified... Controlling it... Sure, you could send the U.S. Army down to the border, but you don't want to send the U.S. Army down to the border. You might need it for something else.

Q: You got out of there in 1978. Where to?

DUNCAN: Paris.

Q: You were in Paris from when to when?

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DUNCAN: 19781982.

Q: What was your job in Paris?

DUNCAN: Now, the title of it is the economic counselor, but at that time it was called the chief of the Economic Division. We had an economic minister who was in charge of it. Because Embassy Paris was such a large embassy, the Treasury representative there handled the financial questions. We had a commercial counselor who handled the commercial issues. And we had an agricultural attach#. So, I used to think of my own division as being sort of the Department of Miscellaneous Affairs. In other words, if it wasn't something that was assigned to the commercial counselor and it wasn't anybody else's, then it was mine.

Q: Who was the economic minister?

DUNCAN: It was Jack Myers first and then Mike Ewing. I had two.

Q: I imagine you had several ambassadors while you were there.

DUNCAN: Art Hartman was ambassador for most of the time that I was there. I had Galbraith first and then Hartman.

Q: Where did he come from before that and can you tell me how he operated?

DUNCAN: He was a political appointee. He had made his money in oil tankers. We are under President Carter. Then Reagan was elected in 1980.

Q: I'm having a little trouble because I don't have my references of who was who. We think it was Hartman and then Hartman moved into part of the Reagan administration and then Galbraith followed when Hartman went off to Moscow. We can sort that out and manipulate this in the final transcript. Could you describe your impression of how Hartman

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operated with the embassy and his effectiveness in dealing with the French from your perspective?

DUNCAN: He had a total command of the language. He had served in Paris before. He knew lots of people in Paris who had risen. But the thing that amazed me about the man is that he took a great interest in making sure that he had good people. In other words, he spent a great deal of effort in selecting the people who worked for him. Once he had selected them, he let them do their thing. This is the most incredible thing about him: Even though your contact with him would be limited because it was a very large embassy and I was two tiers down if you don't count the DCM as a separate tier (I had a minister between me and him.) that we would let everybody know what his desires were. It wasn't that you were constantly talking to him. It was the question that he had an ability to both delegate authority but to give very clear guidelines of what he wanted. I remember a particular case where we had a problem out at the American School. A communicator went to complain. He asked me to come up because he knew that I had children in the school. He asked some very pertinent questions. We discussed the problem. He wanted to know who was the person that was on the board of trustees out there. He picked up the phone and took care of the problem himself. In other words, this was a thing that could have become a serious problem. He was made aware of the problem and immediately moved to take care of the problem. He figured out the problem and the power dynamic and took care of it. It's a minor thing.

Q: But it signified a method of operation.

DUNCAN: It signified a person who is truly an effective manager. He recognizes that a subtle problem like this can become a very serious problem.

Q: We'll talk about ambassadors, although that will probably be a little later. What about Galbraith? There was a famous economist named John Kenneth Galbraith, but this was not this person. You probably didn't have too much time with him.

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DUNCAN: No. It was like day and night. In other words, we had an individual who came into the job, really did not have background, did not have the command for the language, had money, but was a bit of a bull in a china closet.

Q: If I recall, he wrote a book afterwards

DUNCAN: Now that I am absolutely sure, I know that it was Hartman and then Galbraith. We're talking about people who are still around. When Galbraith wrote the scathing attack on the Foreign Service, I had left Paris. I was away for quite some time. I'm trying to remember whether he said it to me or somebody else said it to me. He had been told that you don't want to take any experienced person who has background or their own power base and what not. You want to bring somebody in there who is totally dependent on you so that they will have total loyalty to you because they won't be there unless you are there. The DCM had been picked in that category. There were a lot of raised eyebrows. I'm not going to mention his name. There had been a lot of raised eyebrows about the fact that this individual had been picked because there were a lot of people who were much more likely to get the job, but had been picked because it was a person who would be loyal because of he'd be utterly dependent on him. He behaved that way. The DCM, in effect, basically acted like a doormat for him. So, when he came out and attacked the Foreign Service, he was basically attacking primarily this guy who had done everything for him. I remember that.

Q: Did his attitude permeate the embassy?

DUNCAN: Oh, yes. Hartman was so phenomenal. Hartman is generally considered to be probably one of the handful of the very best career Foreign Service officers, who now we know got a real raw deal in Moscow because the Russians set him up to try to divert attention away from Ames. But the point of it was that here was a guy who was running a very effective ship with very effective delegative power, but everybody operating in

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tandem. Then we went to a completely different agenda. My perspective was somewhat limited. I had the impression that the French were not impressed.

Q: If I recall, Galbraith got on TV to publicly espouse the American cause and to attack the French government or something like that? Does that ring a bell?

DUNCAN: That's after my time.

Q: I may be wrong on that. When you say you had the economic job othe bits and pieces, what were some of those?

DUNCAN: If it didn't fall under the jurisdiction of the agricultural attach#, the Treasury representative, or the commercial counselor, I got it.

Q: What were some of the things that you got?

DUNCAN: I spent a great deal of time was dealing with commodity issues and energy. I guess one of my major operations there was that the issue was coming up of building a huge new natural gas pipeline from Russia into Europe. At the same time, the Europeans were looking at this as an alternative to Algeria because, particularly from the French perspective, there were risks involved in being dependent on natural gas from Algeria, even though they had a big interest there. It was a matter of national policy. We were trying to work with the Europeans to not let this natural gas pipeline, in effect, become a type of Achilles heel, where the Western Europeans would become dependent on natural gas that could be turned off. It was a major strategic issue. I was involved in that.

Q: Can you talk about what at that time the French stand was on thiand how did you deal and work with this?

DUNCAN: They were as conscious as we were of the risks. They were probably more sympathetic to what we were trying to achieve. They were trying to approach it from a balanced point of view and trying to work out some kind of system whereby the Algerians

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could participate in the exercise, but in a way that was not going to pose a threat. In other words, try to develop a relationship where Algerian gas could become like an offset. It was very interesting because the bottom line in the whole exercise at the very end when the crunch came, the Belgians undermined the united position vis a vis the Algerians. I remember at the time, this French official said to me, "Bob, it's Zaire." In other words, the question was, "Why are they doing this?" There was this French-Belgian competition for influence in Zaire and this was a way for the Belgians to get back at the French.

Q: This is a question I particularly like to ask about France. It's been our oldest ally and all, but the relationship has always been rocky. We're talking about this 1978-1981 period. How did you find dealing with the French bureaucracy, your estimation of the people you dealt with in the French government, how they reacted, how one deals with them as an American?

DUNCAN: I had one advantage. My French was pretty good and I made the decision that in all my dealings with the French, I was going to use French. So, as a consequence, it not only increased my fluency in it, but I had the feeling that by sitting and always talking with them in French, I would get them to be more open and forthcoming and frank, rather than forcing them to try to express their views in a foreign language. But they wanted to demonstrate their own English ability. Most French diplomats and the people I dealt with in ministries all had excellent English. So, they could work in English. If we had a problem, sometimes we could switch. Generally speaking, I think that that's absolutely essential. My own feeling is, as they used to say, you can't work in Embassy Paris unless you have really good French. I agree with that. If all you do is English and they have to deal with you, they will deal with you. But if you are, as frequently you are, really in the demander position, saying, "Would you support us on this," to have to say, "We're going to support you on this" and then force them to, in effect, do it in English... My own feeling is that I think that that creates a problem. So, that's the first key thing. I would say that I found that because I could work with them in their language, I always found courtesy and access. Then comes the problem of how are you able to condition their thinking. I think that the

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critical thing to understand here is, the French approach things, based on my experience and other commentators, in a very Cartesian way. That is, all the interested parties sit down and they analyze the problem in terms of “les interets de la France (the interests of France).” When they finally come to a conclusion on what is the best way to go in terms of protecting “les interets de la France...” Their policy is very oriented toward national interests. If you make an appeal to them where “This would be good for mankind” or “This is the right thing to do,” maybe... But they think of what is in the French interests in this issue. Maybe the humanitarian concern might be a French interest. Americans tend to say, “Look, this is very important to us and this is very important to you. How about you go along with us on this and we'll go along with you on that?” They don't function that way. “What is the interest of France on this issue and what is the interest of France on that issue?” That's the way it is. The other thing is that when they make this determination of what is the interest of France, they must have a very effective interministerial coordination system. I guess there must be very rigid rules held that you do not engage (We're talking about civil servants.) in interministerial warfare by going outside and dragging the foreigner in. There may be ministerial differences of opinion, but you don't try to manipulate the foreigner and use the foreigner as a wedge to condition like in the American form of government. They don't have that. So, as a consequence, once they came up with a decision, it was like a parrot. You could ask this person “What is the view of the French government” and he would use almost the same language as if you asked somebody over here. I'm just saying that, in retrospect, it seemed to be always well thought out in advance. A conclusion was come to and then it was applied. The positive side of that is that they tended not to do anything rash. In other words, they wouldn't take a leap until they had thought the thing out. The trouble of it is that if they ever thought the thing out and came up with an erroneous conclusion or a poor solution, it was impossible to change their view until the realities crashed through and caused them to rethink.

Q: I have never dealt with the French in a political sense. But from watching their movies and all, they seem to see patterns where the Americans don't see patterns. Sometimes

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these patterns, at least to my eyes, seem to be erroneous. There are some things that happen like plots or some idiot will shoot somebody or something like that and they try to see a pattern to maybe what we're requesting, where it may be just because we're doing it because a senator in a key state wants something to be done. They think there is a pattern behind our request.

DUNCAN: I think there is an element of truth in what you say. They tend to project their own way of doing things on other people. It's hard for them to understand that you could have a totally disorganized, totally uncoordinated situation coming out that they would never permit themselves to have happen. They wouldn't permit a type of chaos that we sort of view as our way of life. There is an element of that. Another thing is that they make a decision (This is the way I look at it.). The French never condition their thinking by what you say. They condition their thinking by what they believe that you're prepared to do. So, therefore, if they don't think that you are prepared to do something, they won't do it. It doesn't matter if you tell them. They may not believe that you really mean what you say.

Q: Particularly in many international affairs where we tend to preach and bluster and say, "We should do something," when they will look at us and say, "This is all fine, but the reality is that the United States isn't prepared to insert force there or do this."

DUNCAN: Right.

Q: Did you ever find them coming to you in your position and find that they were working our system to their advantage? In other words, they would go to you and maybe to the Treasury or something like this and be trying to get something?

DUNCAN: It may have happened. Play one of us off against the other.

Q: *It might have been done more in Washington than in the embassyway, if it was done.*

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DUNCAN: I guess on some trade issues if the Germans took a position that they did not like, they would try to mobilize us as an ally for them against the Germans. Or the British. Yes, that would happen. But you're talking about trying to internally play one side against the other. It may have happened, but I'm not aware of it.

Q: I'm speaking as a gross outsider in this whole relationship. Did you ever sort of have the idea that the French were sort of odd men out and doing it with a certain perverse pleasure of showing that they were different and weren't part of anybody's team or not?

DUNCAN: I think that where there was the difference is that they were not prepared for what we would characterize as a larger greater good to sacrifice what they viewed as being a French interest. In other words, I guess there was more of a Machiavellianism in theirs than in ours. There would be cases of where the American government would, in effect, not support, if you want to call it, a very narrow commercial interest if they felt that this was going to pose a serious instability or security problem. That didn't seem to bother them a bit. Do business with Iraq... The idea would be, we put an embargo on a country because of terrorism problems and they would go for the business.

Q: You mentioned commodities besides power. Were there any particular issues during the time you were dealing with this?

DUNCAN: There, the issue had to do with do you believe in trying to have commodity agreements? The French were more inclined toward commodity agreements than the American government was. So, I was more in a defensive position. In other words, the thing that they would be advocating, we would not. They were in favor of more regulation than we were.

Q: Do any particular commodities come to mind?

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DUNCAN: Cocoa, coffee. They were very oriented toward quota agreements and things like that. My problem was, our administration was opposed to that sort of thing.

Q: Did you get at all involved in the development of the European Community in your position?

DUNCAN: If they were trade issues, they would normally be handled in Brussels. The negotiations between the United States and Europeans on trade issues were with the Commission. We had a number of investment issues.

Q: To rephrase the question, were there any specific problems with commodities between the French and the United States?

DUNCAN: The problem was that we and, to a degree the Germans, and to a degree the British, were more oriented toward letting the market handle itself. The French, on the other hand, were responding like an advocate for themselves and for developing countries that wanted to regulate commodities. In some areas we were prepared to consider it. But I think the French would be prepared to use a commodity agreement as a means to, in effect, raise the price of the commodity above what we'll call the normal market price and we were not.

Q: I realize that we had an agricultural consulate. Did you get involved in any farm disputes?

DUNCAN: No.

Q: That was a handy thing to have someone else for.

DUNCAN: That was his problem.

Q: You say that with a certain relief. You were there during the transition with the arrival of Ronald Reagan as President. I can imagine that the French were really kind of bewildered

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about, all of a sudden, here is this person is known as not a top rate movie star, despite the fact that he had become Governor of California, become President of the United States, and seemed to be coming from the strong right wing of the Republican Party. Did you find in your dealings with the French either at the social level or professional level trying to explain or answer questions about Ronald Reagan?

DUNCAN: I remember one particular meeting which was just before the election in which they wanted to know who I thought was going to win, trying to discuss American politics and the electoral system and what not. But my general impression is that they were happy with Reagan's victory.

Q: Jimmy Carter had not come across as a very strong President.

DUNCAN: That was the problem. They viewed him as a weak President. They like strength.

When they ask about all my assignments, they say, "Which one did you like the best?" I always say, "You like different assignments for different reasons. But the most dangerous assignment I've ever had was in Paris because that's when we had the terrorist attack. Our Army attach# was gunned down on the sidewalk. A Libyan attacked our DCM, Chris Chapman. They said that we were being targeted, so they set up all sorts of special operations for us. At one point, they said they were going to have us accompanied. Then we had the famous case of Rod Grant, the commercial counselor, saw the bomb under his car. This was the miracle of why American Embassy Paris continues to stand. We were having these terrorist attacks against American personnel. Rod Grant had a son who was going to UCLA. He and his father were having an argument. He was going to take him back to the airport to send him back to college. They came down the stairs. They were on the Avenue de la Bourdonet in the seventh arrondissement. They came out of their apartment house and went over to the car. The 18 year old son, who was an athletic type, was so aggravated at his father that when he got the trunk open, he threw his duffel

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into the trunk and slammed the trunk so hard that a magnetic bomb that had been put under the car dropped off into the street and they drove away to the airport. Our assistant Air attach#, who lived nearby, was walking down the street, saw this thing and knew from his own experience what it was. So, they called the Parisian bomb disposal people. They came out. According to one of the security people, the reason that what happened happened was because they violated the first rule of bomb disposal. That is, you don't move the bomb until you diffuse it. They moved it and it exploded and took out windows on two sides of the avenue to the whole block of the Avenue de la Bourdonet. The thing of it was that the terrorists probably knew that Rod Grant parked his car in the basement garage of the embassy. So, the feeling was that what they had wanted was for him to drive his car into the basement and then have the thing blow up there. So, we would have lost our building on the Place de la Concorde. The fact that it took out all the windows on a whole block in the air, you could imagine what it would have done to the embassy.

Q: How about your personal life there? Did you feel particularlunder attack or not?

DUNCAN: No. We went through this period where they said we were being targeted. Therefore, they were figuring out who was most involved. So, there was quite a bit of stress and strain. Other than common sense sort of things where you don't go the same way the same hour every day, I felt that... They originally wanted everybody to drive and they would have policy escorts to take you in. I remember the first time they said this. I said, "Look, I always take the Metro. I don't want to drive my car." So, here they had a motorcycle cop come along. As I'm walking from my apartment to the Metro station, he is driving along. It was like, "Here is one." This is counterproductive.

Q: Who were the terrorists that we saw at that time?

DUNCAN: Arabs, Muslims. The ones that shot Chapman were Libyan. The one that killed the assistant Air attach# was also Libyan. Afterwards, there were some bomb explosions against the French.

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Q: We finished your tour in France. You left there in 1982. Whither?

DUNCAN: I came back to Personnel for three years.

Q: *That would be from 1982-1985. What was your job in Personnel?*

DUNCAN: For the first two years, I was the head of the Counseling Office for economic officers. My last year, I was Deputy Director of the Office of (inaudible) assignments.

Q: *Let's talk about economic officers. What did a counselor do?*

DUNCAN: A counseling officer was basically supposed to be the representative of the Foreign Service officer and also represented the interests of the system, too. I think his main job was basically to see that all of his charges were effectively assigned, that is, into a job for which they were qualified and into a job that would be good for their own career development. They voted with the other officers representing the bureaus and other specialized functions for actual assignments in the assignment panels. I would say that the basic responsibility of the counselor was to promote the interests of the officer, but also to make sure that the resources of the Department were effectively utilized.

Q: *What was your impression of the competitiveness role of the economic officer that you were seeing?*

DUNCAN: At the time that I had the job, the economic officers were generally much more competitive in terms of professional training and what not than they had been when I first came into the Foreign Service. When I first came in, people were recruited generally across the board, not to one specialty. By the time I was working in the Personnel Department, recruitment was being done according to one specialty and then, for example, all the economic officers that were hired in the economic cone, if they hadn't already had the background, were all assigned to a training program which gave them the equivalent to an undergraduate major in economics. I entered the Foreign Service

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in 1960 and I was in Personnel in the beginning of the 1980s. Over that 20 year period, there had been an absolutely dramatic adjustment in the quality of the economic officer. They also, because there had been a shortage, had done well. A good economic officer had a very good promotional history. If there was some complaining from the officers themselves, they would feel that they did not have as good a shot as the political officers did for some managerial positions. But to be perfectly honest with you, I don't feel that that was justified. I felt that they had an absolutely fair opportunity. The only problem that they would have because of the conal structure is that they might not have the opportunity to get an out of the cone assignment because there was such an excess of political officers that they couldn't get an out of cone assignment. Therefore, they might not have "political experience" in their background. But my own view is that they were just as competitive for DCM and ambassadorial positions. Maybe they didn't feel that they had the contacts. I don't really feel that was a justified complaint.

Q: How did you deal with Officer Smith, who is on a change oassignment? What would you do with a typical officer?

DUNCAN: The process would basically begin with having sent the officer a list of available upcoming vacancies. He would start the process by the officer selecting among the available vacancies, making bids on positions that he was interested in. The counselors as representatives of the system at the time I was there had to deal with the issue of making sure that there was what you call "fair burden sharing" of hardship posts, meaning that if an officer had not served in a hardship post after a certain period of time it was expected that he would. Another big problem was overseas assignments versus domestic assignments. You had to make sure that people who had been overseas extensively came back. Conversely, you had to make sure the people that were in the Department didn't stay there forever. You start with some very general parameters. Within those very general parameters, the officer would start by selecting what he was interested in. Where the dynamic comes is that from the point of view of Personnel generally, our attitude is that a bureau would receive a list of the people who bid on the job. Among the candidates,

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if they were of the right cone and the right grade, and that the officer met this burden sharing obligation, a normal bureau, particularly for a highly competitive job, would have maybe 20 totally qualified candidates. My attitude would be, whichever one among those 20 that the bureau preferred to have, fine. You could say that the officers would select their preferences and then the bureaus would select among the self-appointed nominees the one that they preferred. Where the conflict would come in is, frequently, the bureau would want to have an officer below grade or they might want to have someone come who should have a hardship service. Generally speaking, the thing would eventually work out. From the consular point of view, the problem that you would have is, you would have a certain number of officers who either in the few extreme cases just seemed to be incapable of making a decision of where they wanted to go. Believe it or not, there were actually a few officers who had to literally be forcibly assigned. They were emotionally incapable of making a choice. But that was a very limited number. The irony of it is that people that fell into that category usually did extremely well in the job to which they were assigned, selected for them. Then you had about a 10% group that were chronic complainers that they weren't getting the jobs that they wanted and that sort of problem. Many of them would wind up at the end of the cycle, you have a certain number of residual vacancies and a certain number of residual bodies and you had to match the available manpower to the available jobs. That was sort of an anguished period.

Q: Would you sit down and talk to your stable of people when the came in to explain the system and all that?

DUNCAN: Oh, yes. Q: How did you find this worked?

DUNCAN: Very well. As I said, only 10% were what you'd put into the category of cases that required a little special attention. Generally speaking, officers would eventually get assigned to a job that was of interest to them, maybe not their first preference, but they would eventually get assigned. The matching process would go on usually without problems.

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Q: With somebody who was a complainer or had a problem, was it part of your job to sit down and say, "Look, you seem to be having difficulty dealing with people who supervise you or the people you supervise" or whatever you saw was the problem by looking at their record? Did you do that?

DUNCAN: Yes.

Q: Was this difficult to get it received?

DUNCAN: We were given training as counselors for about a week by a professional organization out of Michigan that was a big training program for counselors for major corporations. I thought they were very effective. We only had a week with them, but we would have like a day of alcoholism training and how it manifest itself and what not. Not that we would handle alcoholism, but it was so that we could recognize it and know who to do a referral. When we were talking with some of our Personnel problems, one of these trainers made the following observation. I found it to be, particularly in my Personnel work, but even generally in my life, absolutely valid and extraordinarily helpful. The point that was made was that there are three levels of personnel problem management. The first level is the definition of the problem. What distinguished the psychotic from everybody else is the psychotic either can't recognize that there is a problem or has a feeling of a problem, but can't define the problem. The point that they made is, when you're dealing with that level, which they refer to as the psychotic level, that requires professional attention. In other words, the normal counselor can't handle a person who may be in psychotic denial, a "There is nothing wrong" type of deal. Most of the difficulty occurs in the second stage. That is where the nature of the problem can be accurately defined, but the individual has to evaluate the role of the individual in the problem and that what defines the neurotic from everybody else is, a neurotic can usually define the problem accurately, but they refuse to accept that they have a role in the problem. It's victimization. Here is this problem and I am being a victim. Based on my practical experience afterwards, it was absolutely true. When I talked about my problem cases, the problem usually lay not in the nature of the

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problem, but in the individual absolutely refusing to accept the fact that they had a role in the problem. These trainers told us that if you can overcome that, if you can get the individual to acknowledge and to define what their role is in the problem, usually, the third step, which is the resolution of the problem, is relatively easy because the individual in question usually has all the facts much more than any outside counselor would have and usually will have a good hierarchy of priorities. So, if they know the information and they know their priorities and they recognize what their role is in the problem, they usually can find what is the appropriate resolution to the problem. That is the point they were saying. It's that second stage which is really where, to the degree that you really have to do some work that you can do on it. For example, I can give one case that I vividly remember. An officer made an appointment. He wanted to come in and talk about his promotion prospects. He was concerned about his promotion prospects. What you normally do in a case like that is, you get the individual's performance file out and you review the performance file so you get some background on the individual before the person comes in and speaks to you. When I was reviewing the file, it really struck me that this individual was in a job below their grade level, which is very unusual. This was not just a transitional one where they had recently been promoted. This was a case of where the person had actually been assigned into a position below their grade level. When the individual came in and I mentioned this, I said, "You wanted to talk about your promotion prospects, but I would like to clarify some background information before we get to that issue. I noted that you were assigned into a position below your grade level. Why was that?" The officer in question said, "I particularly wanted to serve in that city." This happened to be a developed country city. He continued, "I had this opportunity to go into this job in this city, so I took the job." Then I said, "Well, what are you planning on doing now?" "I'm planning on extending in this job." I said, "Well, you would, in effect, be extending into a job which was below your grade level." The individual said, "Yes." So, then I said, "Alright. Being in this position, your promotion aspects are not only not good because you're never being able to demonstrate how far you can go, but the longer you stay in this position, the worse off your promotion prospects are going to be." It became very clear after we were talking that

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the most important thing in this individual's life was to be assigned in this city. We ended the thing up when I said, "You came to me to talk about your promotion prospects. I'm answering your question. They are poor and they are getting worse every day. The most important thing for you to do to improve your promotion prospects is to get your transfer as rapidly as possible into a job commensurate with your grade level." I said that I would be more than willing to help. The individual's response was, "No. I hear what you're saying, but this is what I want to do." I said, "Well, do you understand that your problem is your assignment structure, but it's reflecting what your priorities are?" I'm utterly convinced that he went away still with his priorities intact, but at least we were addressing the question of the promotion prospect problem. That is an example.

Q: At a certain point, the decision is yours, but you have some control, the individual over the system. It better understand how somebody who professionally can look at it and say, "If you do this, you're in trouble."

DUNCAN: It might be interesting for the record is that I had one advantage in the three years that I was there because of the fact that when one of my side responsibilities when I was counselor for economic officers was that I was also the work force planning officer for the whole office. I think that the assignment came to the economic officer because it tended to be a statistical, analytical question. Therefore, they thought, "It's logical to assign it to an economic officer to do it." But I had the advantage because I was in it three years. When I then was looking at the position from being the deputy director (and I was acting director for a number of months, too), I got a perspective on the Foreign Service personnel system in terms of overall manpower planning. It took a while to acquire this. I think one of the problems in the Foreign Service is because the personnel system is managed by Foreign Service officers who are detailed into it. There are a few civil servant employees, but they have special functions, who are more durable. The system, in effect, is by rotating personnel. I think that, lost of times, what happens is that you don't have the institutional memory. When I see some of the problems that the Foreign Service is dealing with in terms of manpower management, I can see where it goes back to this "insight." The

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fundamental problem that was in the work force planning program was that if you don't have conal recruitment, which was not the problem when I was there because they had iSubsequently, it's come back again. There wasn't conal recruitment when I came into the Foreign Service. Now, they don't have conal recruitment again. But in the period I was operating, they had conal recruitment. The way you have to recruit is, you look at the jobs. You have to recruit for effective manpower management. You have to look at the jobs in the middle. These are not the junior officer positions and not the senior officer positions, but the middle officer positions. What you have to do is, you have to break them all down in terms of which type of conal officer you need for each one of those jobs. Obviously, the political positions are political jobs, the economic positions are economic jobs, consular positions are consular jobs, and administrative positions are administrative jobs. That is a problem. The one problem that you have to do is, for instance, interfunctional positions which, in effect, could be filled by any of the four cones, you have to make damn sure that when you divide them up for recruitment purposes, you get an accurate reflection of who will actually fill them in the normal assignment process. When I was there, one of the major problems that they had had was, they had just arbitrarily decreed that they would count all of the interfunctional positions as political officer positions for recruitment purposes, which led to a surplus recruitment of political officers because, in fact, these interfunctional positions were not always filled by political officers. You can do it in different ways. Basically, they could be divided each at 25%. I'll come back to the point in a minute. By assigning 25% to administrator officers would create a problem, but it's because of another problem that hadn't been dealt with. The thing of it was that if you divided the division up and made an appropriate division of the interfunctional positions, which is, just look at them on who fills them and then divide them up for recruitment purposes as a function of who fills them. Here is the bottom line. Also, if you treat that all administrative positions at mid level should be filled by generalists, which was one of the policies that they had been operating under, then if you are going to have an equilibrium under those two assumptions, 44% of all of your incoming junior officers should be recruited into the administrative cone. Management never would agree to have that high a percentage of

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the recruitment coming into the administrative cone. As a consequence, you had a surplus of political officers and a chronic shortage of administrative officers. That is, if you're running on the opinion that all of the administrative positions at mid level should be filled by generalists. The logical way out of the problem is that the people who are coming in as administrative generalists are coming in because they're people that have real managerial power. They're people managers. The point of it is, these people, if they're good (and if they come in through the general recruitment system, they are good), particularly in a constantly chronic shortage position will never go into a mid level FS-01 personnel officer position or into an FS-03 GSO position. In other words, they will start out as a GSO. They will start out as a personnel officer. They will start out as a budget and fiscal officer. But it won't take very long before they are going to be administrative officers. They are going to be running administrative sections. They are not going to be taking these mid level specialist positions. They had all sorts of problems of trying to recruit people. The intelligent thing was that you go into a specialized recruitment program. That is, budget and fiscal officers, personnel officers, and security officers will be specialist recruited with the understanding that these are people that will go up in that specialty. The administrative officers will get their training, but then go in.

The problem of it is that it took a while for me to understand how the excess of political officers and the shortages elsewhere, in effect, were being generated. Where did this problem flow from? I realized as I was working on it and people would start throwing pieces together, I could see the whole picture that this is what was causing the disequilibrium. To summarize, if you are going to have a working system, obviously, you have to recruit at the average level of departure, the flow in and the flow out. It can vary a little from year to year, but it more or less has to be a continuous flow. The recruitment has to be conal to be effective. You have to divide your common recruitment on the basis of your mid level job allocation, but for the reasons I previously mentioned, you don't count the mid level administrative specialists because you are going to hire them separately. That system will work very well. Until they would resolve that problem, the

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thing that I found the most anguishing once I was in the managerial role was, we would have extraordinarily competent administrative officers who, for their career development for leadership positions in the Department, had to get a job outside the administrative cone, either an economic or a political function, to give them the breadth of experience. But we had such a chronic shortage of effective administrative officers that it was virtually impossible to get them out. There wasn't the manpower availability there. Our basic problem is, because we had such a shortage of administrative officers, not only were we filling every slot, but we were having a lot of jump positions, stretch positions, trying to fill in these holes. The reason why you were having the problem over here was because the recruitment was out of whack.

Q: Did you find you were making much progress? Do you think that your analysis penetrated the system?

DUNCAN: At the time, yes. We were really getting the thing into equilibrium, but the problem of it was that once you have a conal system of recruitment, you're always going to have more political officer candidates than you have need. So, you would have cases where people would accept a recruitment other than in a political cone. Then as soon as they would get into the system, the first thing they tried to do was to get themselves reconed so that they could compete for a political position. What would happen, where the damage would come in, is that they were very talented people. So, they would let themselves get into a staff position or a department principal. Then when the end of their term was up, they would want a political position. Then they would say, "Did I not get the position because I'm not a political cone officer, I'm an economic cone officer?" Then they would motivate their principal to, in effect, come in and squeeze the system, saying, "Why is there this arbitrary rigidity, etc.?" They would break the system from the top. Was it 10 years ago when we abandoned conal recruitment and went back to general recruitment? I don't think it was quite that long ago. Now, the time has come up. Now the people, after

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five years in, have to be assigned to a conal job and they are all screaming and yelling and what not. It was utterly predictable.

Q: When you got to general management, which you did from 1984-1985, two major things were continuing. One was women because of quota action and all this not getting proper recognition according to reports. The other was the problem of recruiting minorities. At the time you were dealing with these, what impressions were you getting?

DUNCAN: At that time, when I was in FCA, the women's action suit had not yet come to a conclusion. So, I did not have to deal with that then.

Q: But was the placement of women a priority or not at that time, trying to make special exceptions, knowing that there was at least a perception that they had been unfairly assigned?

DUNCAN: No. I think there was some effort at the ambassadorial level to do some affirmative action selection. But the ambassadorial level assignments were not my jurisdiction. Within the assignment process itself, the process went along and there was no special treatment.

Q: *In assignments, did you have another hat?*

DUNCAN: We weren't responsible for recruitment. That was different office.

Q: As far as problems, they went to the Director General's Office? To make sure that minorities got due attention, was that part of your function at all?

DUNCAN: Yes. I remember one particular case where I was working and the person got assigned and the thing got involved in sort of an EEO operation after the event. But this was where it was successful. In other words, this was appropriate placement of a person. You were saying about special treatment of women?

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Q: In either of your positions, were there special programs, special attention paid to women or to minorities?

DUNCAN: There was a special counselor for women and minorities. There was a program of mid-level recruitment for women. A lot of those women that came in were ones who either were Foreign Service spouses or were people who had been in the Foreign Service, but then under the old rules where they had to resign if they got married and then they came back in, there was no problem. There was one case that was a chronic problem of a woman who had been hired under this program at the 01 level, the equivalent to the old FS-03 or essentially the colonel level. She was not an effective officer. From the first time that she entered, her job performance, to be perfectly honest with you, was just unsatisfactory. She kept suing all the time. If I remember, she was in constant suit for 10 years and then she left the system. I don't know whether she got a buy out... She may have reached retirement age. I think she was eligible for retirement. But it was an absolute disaster. Obviously, she constantly had to be assigned and then they would have to do the reports. But the system, even the EEO counselors and what not, basically was coming to the conclusion that this was just a no go. It was a failed performance. But the thing then turned into court litigation. It was no longer under State Department control. It was now under court litigation. It was a mess.

Q: What would a person whose performance is sub standard, if you have a court case and you are paying them while they are waiting to do this, you as a Personnel officer...

DUNCAN: We've got to find a job for them.

Q: What would you do?

DUNCAN: You must find a job for them.

Q: Would you look around? How would you find this?

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DUNCAN: Believe me, it was a hard sell job, but it had to be done. In this particular case, it wasn't just a question of getting a position for the woman in the Department, we had to get overseas assignments for her as well.

Q: At that level, she has to be in charge.

DUNCAN: Right. I know she was involved in Mexico. She had become a problem even before I got there. So, I had to deal with her in varying degrees. It was awful. The exception proves the rule. The fact of the matter is, she is so noteworthy in being a problem.

Q: Most of them weren't. In 1985, you left. Whither?

DUNCAN: One other thing. Yes, there was one area that we did have to (inaudible). We were starting with tandem assignments then. A tandem assignment is where we endeavor to assign two spouses to the same post. On the one hand, this problem was that you couldn't let the spousal assignment discriminate against others. On the other hand, it was trying to promote what we called tandem assignments in terms of the Foreign Service reflecting society. More and more women were now being employed, so this was... I think that was an essential program. I think the program generally was operating pretty well. The only problem that I had there, and it was a few handful, is that they would start from the approach that that was a God given right. To use the extreme case, if the individual did not get what they wanted when they wanted it, then the system was unjust. I can remember one particular case where we had a tandem up for reassignment. We look for a place where we can find two appropriate positions for the two. It was, "Well, my spouse wants to go to this job because this vacancy is a really good job. Then what I want you to do is, I want you to move somebody out of the post and make room for me." When we told them, "We're more than happy if your spouse wishes to go to that post. When the next vacancy comes up for which you are qualified, we would be more than happy to give you consideration for it, but we're not prepared to move a person who is already assigned and

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happy in their job out to make room.” It was an utter meeting of the minds. I thought that to request that somebody be forcibly moved against their wishes to accommodate someone was outrageous and the other person felt that if the system didn't do that, it was unjust.

Q: Where did you go in 1985?

DUNCAN: After I left Personnel?

Q: Yes.

DUNCAN: Then I went to the Director of the Office of Economic Policy in the Bureau of East Asian Affairs.

Q: You were there from 1985 to when?

DUNCAN: From 1985 to 1987.

Q: What were your prime focus during this 1985-1987 period?

DUNCAN: For my office, the prime focus was the economic booming growth of all of these Asian countries. I was particularly involved in a lot of the trade negotiations and what not that were involved with ASEAN for Southeast Asia. I would be (inaudible) the USGO on the delegations for their meetings with ASEAN. I did have some involvement with Japan, but in the Office of Japanese Affairs, they had their own economic officer. So, they needed our services less. We had to do work for Secretary Shultz. We did a lot of work for the Secretary on preparing his briefing books. He was a wonderful economist in his own right. So, he wanted a lot of material and we had some really good people to get the stuff. His attitude is, he wanted to see the raw data. He wanted to see the numbers. He would look at it. “Don't give me a sentence.”

Q: You were saying Shultz. During this 1985-1987 period, did you get any feel for what Shultz's particular interests were in the ASEAN and the area you were dealing with?

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DUNCAN: Because of his background in California, he was very much oriented toward East Asia and very interested in that area and the economic development over in that area. He was also a very dedicated free trader. Of course, he reflected the President's view. Reagan was President at the time. When I first came on board, Wolfowitz was there. Gaston Sigur came on board. I'm an impassioned free trader myself. I found it very exciting working with him. We had a Secretary of State at that time who, I guess, was probably, at least in my career, the most economically well informed of the Secretaries of State that we ever had. So, we were really a technical support crowd. We got a lot of positive feedback on the graphs and the charts and what not that we would do for him. It was really nice working for a person that you knew knew what you were doing. For some of my political colleagues, it was really funny because when the briefing books were prepared, he just wanted all of these charts and graphs and what not. When he would review the economic situation in the country, normally, you would get a paragraph or two. Well, his attitude was "Don't bother. Just give me the data. I'll tell you how they're doing."

Q: While we're at this, let's get a little snapshot of how you viewed the economy, particularly of these ASEAN countries. Let's start with what I would think would be the most difficult. What about the Philippines at that time?

DUNCAN: It was the basket case. At the end of the second world war, you had Burma, Singapore, and Manila. Rangoon was the richest of the three cities. Manila probably came in the middle and Singapore at the bottom. By the time that I was dealing with them, you had a complete reversal. Singapore was booming. Burma was a special case. Manila was the Marcos regime, had been an absolute catastrophe.

Q: By this time, the Marcos regime had gone.

DUNCAN: Corazon Aquino was in power. But the mess to deal with in the country was great. I remember when I went to this one series. We were in Singapore for an ASEAN meeting and we were having bilaterals with all the countries. I was going with Mike

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Smith to each one of the bilaterals. We had had our meeting with the Singaporeans, and our meeting with the Thais, our meeting with the Laotians, and our meeting with the Indonesians. If I recall correctly, I think the last bilateral we had was with the Filipinos. Earlier discussions had dealt with some bilateral problems, but they were really dealing with development strategies on the GATT negotiations and this sort of stuff. We got to the Filipinos and it was almost like a little shopping list of minor little things. I remember, the minister at the time was sort of ripping pages out of the briefing books. Afterwards, we walked out and Mike Smith mumbled under his breath, "Now, I understand why the Philippines are the sick man of ASEAN." It was like they were not only totally unprepared for the discussion, but their interests were completely different from the other... It was like some particular tuna labeling issue. It was almost like dealing with a constituent problem. You have to be careful. This was my first work in East Asia. I had no experience up until this time. I remember in the context, I was saying that you had like this hate-love relationship where the Filipinos seemed to expect that we were going to "take care of their problems." On the other hand, there was this nationalist sentiment of "We are going to stand on our own two feet." I remember some of my colleagues were there and made the statement that the Philippines really should be transferred to the Latin America Bureau because dealing with the Philippines is more like dealing with the Venezuelans than like dealing with Korea.

Q: What was your impression of the other ASEAN countries at this particular juncture?

DUNCAN: Singapore was just absolutely booming along with an extremely liberal economy matched with a rather quasi-authoritarian regime. On my first visit to Singapore, I said, "Talk about the Switzerland of Asia." It was sort of squeaky clean and all this sort of stuff. Very bright people, the Singaporeans.

The Thai were why I subsequently asked for an assignment to Bangkok, which I got, because it was such a dynamic country. It was incredible just to watch the place growing so fast it was coming apart at the seams.

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The Malaysians were also going along. There was an anti-West element in the Malaysians. Makhateer had some... We're getting now into current events. He is still Prime Minister. Our concept, of course, was Pacific Rithat is, cooperating. He seemed to be motivated toward excluding "the Westerners," have sort of like a greater prosperity sphere. This was very embarrassing to the Japanese, if you understand what I mean. Then, of course, within Malaysia itself, you had a very significant Chinese population. In Thailand, where 90% of the country was Buddhist, where the Thai Chinese and the Thai Thais seemed to be working along, intermarrying and all that sort of stuff. In Malaysia, you still had this split between the Chinese and the Malaysians. It may have been interrupting their development, but it certainly wasn't forestalling it.

The Indonesians thought of themselves because of their size as being "the natural leaders." They were growing, but their results were not as great as Thailand, Malaysia, or Singapore. But they were definitely coming along. The Philippines was as previously mentioned.

Q: As far as American economic policy towards and area, during thitwo year period, were there any significant issues that were of concern?

DUNCAN: For the totality of the area?

Q: Or with any particular country.

DUNCAN: We had some trade problems, but we were trying to deal with it in the broader context. We were dealing with them bilaterally, but also trying to deal with them in the broader context of a multilateral trade talks. My orientation from my Washington perspective was very much of a multilateral context. But the protection of intellectual property was a major issue with all the countries in the area there. We were allies because, at the time, the major problem we were dealing with had to do with reform of agriculture. For the Southeast Asians, particularly the Australians, too, the issue was the

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Common Market agricultural policy and trying to get reduction in export subsidies. We were working very intensely on that area. But the nice thing about it was that the ASEANs were our allies in this area.

Q: What about Taiwan? It's part of the greater complex of the Pacific Rim, isn't it?

DUNCAN: Yes. I did meet with members of the Taiwanese officer here in Washington, but I could only meet with them in restaurants, never in the State Department. Once, I went to be the representative's residence with Gaston Sigur, but we could not meet with the Taiwanese in the State Department. This was part of the one China policy.

Q: How did they fit into the economic picture? It would have to be a factor, wouldn't it?

DUNCAN: The economic issues, there was a private agency in Washington that handled it.

Q: The American-Taiwan Institute.

DUNCAN: Right. So, the specific bilateral questions were dealt with there, not in my office.

Q: When you were trying to put together the whole picture, I would imagine that Taiwan was a significant producer, importer, and exporter, wasn't it? How did you deal with it?

DUNCAN: I guess all I can say is that it wasn't a problem. remember there was one issue- (end of tape)

The Treasury Department was concerned about the exchange rate. They wanted to talk to them about it. The State Department always had the problem of where you would have somebody wanting to run off to Taiwan. We had one case where the Treasury people summoned the representative to Taiwan to the Treasury Department. It was always a question that there were certain restraints on what you can do. I remember that when the guy arrived, he drove up to the front door and it wasn't very long before we got a protest from the People's Republic of China about "You're violating the understanding." To the

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degree that we had problems, it always seemed to be that type of problem, rather than an economic problem. If it was a bilateral economic issue, it wouldn't be one that I would deal with.

Q: Did Korea come across your desk?

DUNCAN: Yes.

Q: What about Korea?

DUNCAN: The Koreans seemed to pose a problem for some of the East Asian hands. I was new to the area. They were accustomed to dealing with Asians who definitely were conflict avoiders in terms of public face to face relations. You just didn't scream at one another. The Koreans did pound the table and holler. I didn't find that abnormal because I had been dealing with Africans and Europeans and what not who pound tables. But for the East Asiahands, this table pounding and screaming and yelling was painful for them. It must be painful for other Asians. Frequently, I would get thrown in because they...

Q: You were there flak jacket.

DUNCAN: I wouldn't find it as painful as they found it. Yes, we had problems. But after the table pounding got over, then you could usually work out a deal.

Q: How about China?

DUNCAN: I went to Hong Kong when I was in the Bureau. I never went to Mainland China, just to Hong Kong. I couldn't go to Taiwan. This was before the big boom. The period I'm talking about was before we had the huge boom in trade and investment with China. We would have issues. I remember in some of the AIPAC meetings and what not, we did have the issue of arguing over the nameplate in front of Taiwan going to be Taiwan, Taipei, China, or what? That sort of thing. Frankly, I found both in that job and subsequently when

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I was in Bangkok assigned as permanent representative to the United Nations Economic Commission for East Asia and the Pacific, working with the Chinese to not be a problem.

Q: How about intellectual property issues with the Chinese?

DUNCAN: Oh, yes. This was a major bilateral issue. That was the USTR problem. Yes, that was a major issue. Actually, the Chinese were sort of just getting involved in this more. We had the Hong Kong problem and then the Thai problem, which came up later. That was a problem.

Q: Was intellectual property on your plate or was this with the trade representative?

DUNCAN: It was the U.S. trade representative's problem to deal with it. When I was in Thailand, then I was their representative. I did work for them.

Q: I'm talking about this time.

DUNCAN: In the time I was there, what I was basically doing was, I was representing the bureau in their negotiations. So, I was not responsible for the negotiations, but I was there to help in any way I could to try to resolve the problem. Most of the participation that I did with them was with the ASEAN countries. I don't think I was ever involved in a negotiation with the Chinese on intellectual property protection in that job.

Q: We'll pick it up when you go to Bangkok. You went there in 1987.

DUNCAN: Right.

Q: You went to Bangkok from when to when?

DUNCAN: '87 to '90.

Q: How did that job come about?

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DUNCAN: In my previous job, I had been the director of the Office of Economic Policy of the Bureau of East Asian Affairs. That had given me a chance to travel around a lot, not all, but a lot. I went to most of East Asia. During the course of my travels, I had had the chance to visit Bangkok. It struck me that it was a very interesting place, a very dynamic country. So, I basically decided that I would like to be the economic counselor there and appropriately got on the job. It happened that Joe Winder, a former colleague of mine, was the DCM there. He apparently put in a good word with the ambassador for me. I got the job very quickly. In other words, it was an excellent match. They wanted me and I wanted them.

Q: What was the political and economic situation in Thailand when you arrived there?

DUNCAN: On the political side, we had a military presence there in terms of a military training program. We also had very substantial fleet visits. Thailand was the rest and recuperation location for fleet visits. Of course, the Vietnam War was over when I was there. The major political problem that the ambassador and the DCM seemed to be involved in was the Cambodia development. To be perfectly honest with you, while I was frequently acting DCM, I was only superficially involved in that. I frankly did not get involved in that situation at all. The ambassador apparently had been designated as being the contact point for the (inaudible) group, which was the Sihanouk group in Cambodia. He would regularly meet with him there. He was sort of like an intermediary.

Q: *Who was the ambassador?*

DUNCAN: For most of the time I was there, it was Dan O'Donohue. When I first arrived, it was Brown, who went on to become ambassador to Israel. He was the one who was basically instrumental in getting me assigned there.

Q: I have a long interview with Dan O'Donohue. I've got to get one with Brown. What was the domestic political situation in Thailand as you saw it?

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DUNCAN: The country was moving in the direction of what we would more or less call a Western style constitutional monarchy. The King was increasingly revered by the people. He was playing his role very, very well. He tried to stay above the nitty gritty political fray. By playing his cards very carefully, he was sort of like Juan Carlos in Spain. He could intervene when he wanted to, but he played his cards very carefully. The power of the monarchy, particularly in the personality of the present king, cannot be underestimated. He is really revered by the people and no politician would dare take him on. He would be in bad shape.

But the military, who had for years basically put the King and his brother on the throne, and who had dominated (It was a military dictatorship for years and years and years.), while their power was relatively diminishing as the economy was booming, they still played a powerful role in the state. The military, in a way, was almost like the state within the state. It was very interesting. The business community viewed the military as being basically a problem. On the other hand, the business community, in effect, did not feel it would have the power to get rid of them. So, there was this equilibrium type of situation that was going on. It was a very fascinating situation for me as the economic counselor basically because it was a booming economy. It was really a booming economy. It was almost growing at the max level that it could grow. The Thai were very hardworking, dedicated people. So, from an economist's point of view, it was really quite thrilling to see how effective a central market economy could be. It wasn't an entirely market economy. There were still these critical state enterprises, particularly in the infrastructure area that the military controlled, the telephone system, the ports, the power system, and things like that. That was probably the weakest area in the economy. That is, the inability of the political structure to deliver the infrastructure services that were required for the economy to grow at its maximum level. But otherwise, it was quite interesting.

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Parenthetically, I had another job, too, but I won't mention it now. WE can come back to that later. I was also the U.S. permanent representative to the United Nations Economic Commission for East Asia and the Pacific. That had many fascinating elements to it.

Q: We'll pick that up later. Looking at the Thai economy and your role as economic counselor, how did you get around? How were contacts and what was your impression of the economic people in Thailand?

DUNCAN: We start out looking at it in terms of the private sector. The economy was largely dominated, particularly in the Bangkok area, by the Thai Chinese. But American and Japanese investors were flowing into the country because they viewed it as being a wonderful market opportunity not only for Thailand as a market, but for producing things for sale elsewhere in Asia and in America. While I was there, AT&T opened up its cordless telephone plant. There is an example of how manufacturing moves in the global economy. The plant originally was in Louisiana and then it moved to Singapore and then it moved to Thailand. It was basically taking advantage of the labor cost differentials. There was big electronic manufacturing. The whole area was booming. Thailand was basically shifting from originally essentially an agricultural economy. Rice was still a major export, but the role of agricultural production in the economy was minor. The manufacturing sector of the economy was growing constantly relative to the agricultural sector. Also, when we were there, the delightful thing was that Thailand was absolutely in the midst of a phenomenal tourism boom. I think, if I recall correctly, that tourism was the second largest industry. We had loads of tourists not only American tourists, but Europeans, Japanese, Australians, and what not pouring through the country.

The main focus of my attention on our bilateral relations side was trade issues. The two biggest ones that I had to deal with were the general category of intellectual property protection. The major problem I had to deal with was pharmaceutical patent protection. The other issue which was my burden was trying to gain market access for American cigarettes which were legally banned. It was, in many ways, a rather humorous situation.

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Smuggling of American cigarettes in particular was big business. It was linked to the criminal elements in the country. But the cigarettes were readily available, but not legally available. So, what the American industry was trying to achieve was to gain legal market access for American cigarettes. There were two dimensions opposed to it. One was the cigarette monopoly within Thailand. That was one of the things controlled by the military. I can't confirm that this was true, but I think that, in addition to the fact that they wanted to preserve their own cigarettes from competition, which was a major factor in their resistance, there might have been some linkage with the rakeoffs that were coming through the rather extensive smuggling operation. I don't know that for a fact, but I think that there may have been. There is no question that the interests that were involved with the state monopoly were, in effect, fighting tooth and nail to prevent the legalization of cigarette imports. The other dimension of the problem, which I think was part legitimate and part hypocritical if I can use an analogies situation, take the human rights situation in China. There are perfectly sincere people who are concerned about human rights questions who would be critical of the Chinese for their human rights behavior. But there is another group of people who are primarily motivated by a desire to restrain imports of Chinese goods and, therefore, they use the human rights issue as an argument, in effect, to obtain protection hypocritically. In Thailand, I think that that was also true on the health issue as far as cigarettes are concerned. There were people who legitimately viewed legalization of American cigarette imports, they wanted to ban, in the extreme case, the marketing of cigarettes. But then there were these other people who, I think, were using the health reason, the big dirty Americans trying to get in. I was sort of acting like an agent for the United States Trade Representative (USTR). I like to think of myself as a wonderful example of how the Foreign Service, in effect, can operate as an agent for a U.S. agency other than the State Department. In this particular case, the USTR people would regularly come out for negotiations. I would get my instructions. But particularly the cigarette question was a bag of worms. I think I'm not being egotistical in saying that they were more than delighted for me carry the bricks on fighting on this thing as long as they felt that I was doing the job well and following their instructions. Therefore, they could

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focus their attention elsewhere. The reason why I think this is true is, when my term was up, I remember one of the assistant trade representatives saying, "Now that you're going back out, we're going to have to work harder." I only mention this basically arguing that I believe institutionally the appropriate way for the Foreign Service to go is to think of itself as more than being an overseas agent of the State Department. It can and should think of itself as being an overseas agent for the United States Executive Branch, a service agency for everybody. I think, if there is mutual respect and cooperation, it will work. I would use my own situation as being an example of that.

Q: Sticking right now to the cigarette side, was there a problem within the embassy of dealing with cigarettes? Cigarettes by this time had become rather unpopular because of the medical effects of cigarettes. Yes, it's a major export, but it's a dangerous export.

DUNCAN: I think that there were activists within the embassy staff who sincerely shared the views of counterparts in the Thai society who felt that this was horrendous in other words, the last thing the United States government should be doing was be pushing the sale of cigarettes. I would get a lot of ribbing, but I never felt that that was a major problem. The reason why I think it was not a major problem is that the policy of the embassy, which eventually became the policy of the U.S. government, was that the Thai had the right to establish any kind of regulation system that they wish for the sale of cigarettes in their country. If they wanted as a matter of national policy to ban the manufacturing and sale of cigarettes in Thailand, that was their privilege. All we were saying was, "Whatever regime you decide is the right thing for your country, then you must treat American cigarettes identically to the way you treat your own cigarettes." If you think about it, that really is an extremely different health argument to walk. That finally carried the day. As I said, I am a cigarette smoker myself, which I think was one of the reasons why the companies had confidence in me. But when I would be dealing with the health dimension, I would just use the case "Look, if you believe that the smoking of cigarettes constitutes a significant health hazard that you believe that their sale should be banned in this country, that is your privilege. But you can't have a situation where the manufacturing and sale of Thai

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cigarettes is perfectly alright, but the importation and sale of American cigarettes is wrong on health grounds.” That's the way it worked out.

Q: What was the response initially?

DUNCAN: The argument was not finished by the time that I left. I learned afterwards that, as a result of my effort in this regard, eventually Thailand and the United States concluded an arrangement along the lines that I just mentioned. The technical term is “national treatment.” In other words, they agreed to permit the importation and sale of American cigarettes under the same regulatory regime of Thai cigarettes. There is a rather humorous element here because the Thai tobacco monopoly imported enormous amounts of American tobacco to manufacture cigarettes. So, basically, what we were doing here was that, on the one regime, we sold tobacco; on the other regime, we sold manufactured cigarettes. IT was a never ending battle, but I felt confident that I had a defensible position. I got a lot of ribbing, but I did fine.

Q: You mentioned to me off-mike yesterday that you were asked to gon a Thai military broadcast.

DUNCAN: One of the TV stations that was operated by military, yes.

Q: How did that work?

DUNCAN: What they had was, they had a correspondent on there. We had an interview taped and then the taped interview was put on the military thing. What they actually did is, they would have countervailing arguments sort of interspersed with it. My own view when they put it on is that it was fairly dumb. In other words, I had a chance to present the American view thoroughly and fairly. Then they had other people putting their comments in. I got two reactions. One was “My God, how could you possibly go on and defend cigarette sales?” Other people said to me that it was fair.

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Q: Did you find on the tobacco issue and maybe other issues that nationalism was, although this may have been a military monopoly, that they were playing the nationalistic card?

DUNCAN: That was not a major card that was being played. The major card that was being played was the health card. But I don't believe that that was the problem. I think the problem was that there were some strong financial interests in the status quo and they did not want to change.

Q: You mentioned that there was another issue you were dealing with?

DUNCAN: A parallel issue that I was dealing with all the time was the protection of intellectual property. The particular issue that I was focused on there was pharmaceutical patent protection. This was a much more complicated problem. What this was was that intellectual property exports are one of America's major competitive exports. Patent of pharmaceutical products are an important element of that. Other countries were basically making counterfeit copies of American medicine that was still under patent. This was being manufactured and being sold in Thailand.

Another element of it was cassette counterfeiting, copyrighted popular music that was being manufactured in Thailand and then being sold on the streets in Thailand. This was not just a problem in Bangkok. You had had problems in Hong Kong, but they cleaned up their act. You had problems in China of this going on. So, this was a major policy issue for the United States, which was to extend the international system of copyright and patent protection, particularly in East Asia.

As I said, my particular area was in Thailand. I had worked on the more general question in my previous job and now I became, in effect, an implementing agent for that area. I worked very closely with the representatives of the Americans and with European

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pharmaceutical manufacturers to deal with this problem, which is really a multinational problem.

Q: Was the military involved? Were there political or economic interests that were powerful politically within Thailand opposing what you were trying to do?

DUNCAN: The cassette operators who were manufacturing the counterfeit cassettes, which was a major problem for the United States, were for videotapes. For the Europeans, it would be counterfeit watches. There was money there, but I don't think... Some of the stuff they said was actually being manufactured by plants that were under military control. But periodically, you would have sort of smashups of this stuff. They would come out and roll a steamroller over the markets. It was one of the big tourist attractions. When the tourists come to Bangkok, they pick up these counterfeit watches and all this sort of stuff. I don't think that that was the real problem. I think that what was the real problem is that there was money to be made in manufacturing generic pharmaceutical products. There was a very strong feeling that patent protection for pharmaceuticals, in effect, was morally wrong. You had problems where they were being manufactured in Czechoslovakia and in Spain. We had haa big problem in India. I think we still do.

Q: *In Iran.*

DUNCAN: It is a mental position. In other words, I guess in a developing country mentality, that "Look, this is capitalist robber baron on our people's health." As they themselves developel'm thinking of the Hong Kong example, where they started to make movies and they were making musical cassettes. Then all of a sudden, they realized that "We've got an interest in this copyright and patent protection ourselves." They would then shift. I think that that is why Hong Kong, which had been a major problem, became a lesser problem. The reason why is because all of a sudden they realized that it was in their interests. I think this is a continuing problem. We have to incorporate it in the latest GATT round. This was a case of where, in contrast to the cigarette question, I felt that the American attitude

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was historically demonstrated as being correct. It's the question here of trying to educate people into this being the right way to go for all of this. I used to use the historical example in Thailand that in the United States, we didn't have copyright protection for many years. As a consequence, as soon as an English novelist or what not would publish a book, in America, they would immediately counterfeit copies of it. Everybody had it, was selling it and what not. Dickens would not be getting royalties from this operation. Back in the 19th century, this was a major source of stress. I said that what demonstrated at the time was that American culture itself was terribly handicapped by the existence of this situation, not only because they had to compete with ripoff foreign novelties, notably British, but even if they did produce something, they couldn't protect themselves. It wasn't until the Americans developed an effective copyright system which, in effect, our own culture began to develop... Maybe I was exaggerating the case, but I don't think so. I think there is real historical validity in that statement. I think that that was the issue, that putting it on the broadest balance, "Look, you are engaged now in manufacturing, which we used to do in the United States. This is your imperative advantage to do it like the example I gave you of the wireless telephone sets. If you want us to open our markets to purchase this stuff from you, then you have to permit us to sell the material fairly that we have a comparative advantage." It's at that level. I believe that in the end it's going to work out. But it is slow slogging because, particularly in pharmaceuticals, the problem is the big expense, the research and development.

Q: In other words, the people who get out there in the labs.

DUNCAN: Yes. That's the big expense. Once the product is developed in labs and the human and animal testing is done to make sure that it is safe, then the actual manufacturing of this stuff is quite cheap. Therefore, if you can get the protocol of the product and then just manufacture it locally, you can make a fortune. But if you let a system like that persist, eventually people aren't going to develop new drugs because they can't get the return on their investment.

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Q: With copyright problems with books and tapes, these can be done in the back corner of an alley. This can be big business, but at the same time, it also can be done by small entrepreneurs. But the manufacturing of pharmaceuticals requires a fairly large apparatus. We're talking about rather concentrated interests there. I would think this would be more difficult dealing with it politically in negotiations as opposed to the other one, which is really more a police job.

DUNCAN: Right. Absolutely.

Q: Were there interests in the pharmaceutical business that gave you problems?

DUNCAN: It was the American and European pharmaceutical manufacturers who were pushing this.

Q: I'm talking about in Thailand.

DUNCAN: In Thailand, the issue was not just the issue of the manufacturing of the pharmaceutical products. The issue was whether or not pharmaceutical products should receive patent protection in Thailand. That was the problem. It was basically a government to government issue. In other words, what the pharmaceutical companies in Thailand were doing was perfectly legal in Thailand. We were basically trying to turn something which was legal into something that was illegal.

Q: Was this being done at your level or at sort of all levels of government?

DUNCAN: At all levels?

Q: We're talking about the trade representative, in the United Nations, wherever this could be done. This must have been an issue that was not just U.S.-Thailand, but U.S.- India and elsewhere.

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DUNCAN: Absolutely. I was just involved in the Thai issue to call it bilateral because it was also multilateral. We were trying to get the Thais on board to not only support this thing in their own country, but to support an international regime to regulate this thing for everybody, all GATT members. In my previous job, I was dealing with it on an Asiawide basis. When I was in my Bangkok job, I was just dealing with the Thai issue, but it wasn't just the bilateral dimension. It was also the multilateral dimension.

Q: How responsive did you find the Thai officials you were dealing with on the pharmaceutical problem?

DUNCAN: It depended. In the Health Ministry, it was a blank wall. It was an uphill struggle. The Health Ministry favored the status quo, which provided cheaper pharmaceutical products for the state. They weren't interested in the trade dimension. They were interested basically in the health of the Thai people and the cost of the Thai health system. They may have had some financial interest in it, too. That was the obstacle. Dealing with the Trade Ministry and dealing with the Foreign Ministry and what not. They understood where we were coming from. So, they were trying to see if something could be worked out. On the other hand, it was agonizing. In the end, I would describe it this way: The Thai were working to participate in an international system. They did not want to do anything bilaterally that would be better than what the international system was. So, we were trying to solve an immediate problem and deal with the bigger problem. I think both sides recognized that the way we were going to eventually deal with this was through the larger problem, but that didn't mean that we still couldn't try with the lesser problem. Eventually, the multilateral trade negotiations came up with a regime.

Q: As you were working on this thing, in a way, you felt that you were helping both to educate and to exert pressure for them eventually to come around, to point out that the writing was on the wall if they wanted to be part of the international scheme of things.

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DUNCAN: The Thais were a long-term independent country. They had a very strong sense of national identity. It has been preeminent historically in defending national interests. I felt that I was dealing with very intelligent people, very knowledgeable people. They had a domestic interest that did not give them free reign to do whatever else they might want to do. But I think, on the other hand, as I said, in contrast to the cigarette question, where the bottom line was hypocrisy, on this issue, the bottom line wasn't hypocrisy. The bottom line issue was the \$64 question "Should there be patent protection for pharmaceuticals?" There was a difference of opinion on that question. I think the Health Ministry felt "No." I think there were others elsewhere in the world that shared that view. So, this was trying to work out a mutually acceptable arrangement.

Q: What was your impression of our pharmaceutical industry's response to the situation?

DUNCAN: This was big business for them, a major target. They had put major pressure on the American government to move in this direction. The American government had really adopted it as probably one of the major pillars of its trade policy. This was "Do it," no question about that.

Q: Moving to another topic, you mentioned that AT&T moved their cordless telephone to Thailand. Was there concern on our part about the movement of manufacturing from American labor to Thai labor?

DUNCAN: There may have been problems back in Washington in terms of the congressional protections, interests, and things like that. But that wasn't a problem for the American embassy in Thailand because this was a question of a successful American investment. The Thais were happy to have it and AT&T was glad to do it. From our perspective, this was not a problem.

Q: This morning, there was an article in the paper (This is 1997.) about the real problem with the Thai economy. The Thai currency was having real difficulties. What was your

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impression at the time about the state and the prognosis for the Thai economy, its underpinnings?

DUNCAN: In the '87'90 period, it was very upbeat. In other words, the present problems of the Thai economy seven years later are a result of problems subsequent to 1990. At the '87'90 period, Thailand was not having any financial crisis. It was having an economic crisis in the sense that the economic growth of the country was outrunning the ability of the infrastructure of the country to support it. But there was not a financial crisis in the sense that they had an unsustainable trade deficit, not at all.

Q: As you and the officers in your section were looking at the Thai economy, did you see any problem areas? You mentioned recently and today that one of the problems seemed to be the educational system at the midlevel. Did you see that at that point?

DUNCAN: Yes. That was recognized as being a problem in the sense that, to a degree, the Thais tried to upgrade the technological content of their economy, that it was going to require more skilled labor. In other words, at the time that I was there, in the manufacturing sector and obviously in the tourist sector, the agricultural sector, it was basically unskilled labor. It was lowlevel at the skill level. The Thai educational and social system was generatinas the boom went on, they started getting labor shortages. For that level of operation, the Thais were terrific. That is why the country was found by manufacturers to be a wonderful place to do these things. Other countries like India or China, which would have comparable skilled labor or maybe not so comparable, but close, would become and did become competitors for the same type of manufacturing. So, like in Singapore, the issue that they had to face was that as the economy grew and the standard of living rose and what not, they were going to have to increase the skill level of the population. This was where the bottleneck of inadequate secondary education appeared. It was back in the '87'90 period that it was recognized as being a problem. The government did not deal with it. That is, their ability as Thai unskilled manufacturing becomes noncompetitive if they

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can't shift they're going to have a problem. The only way you can adjust is, you reduce the value of the batt, you reduce the cost of the labor.

Q: What was your impression of corruption within the Thai political/economic situation and how it impacted on Thais' ability to respond to economic factors?

DUNCAN: The only area where I feel pretty confident in saying that corruption was a problem was in the infrastructure area where the provision of services was designed in such a way that there were rakeoffs to get it. As the economy was booming, this was not only an inadequate provision of services, but the corruption was actually aggravating the problem because it was hindering the system to respond to the market need. The case that I would just give as one example is that the telephone system was inadequate for the needs of the economy. There were waiting lists. You had to wait to get a telephone. The belief was that the shortage was contrived, that they were maintaining the waiting list because the corruption did not come in "paying for a phone," but it's getting on the top of the waiting list to get a phone where the rakeoff would come from. Another example was the crane monopoly in the ports, where the cranes were incapable of coping with the demand. Therefore, they were required to use them. Therefore, in effect, what you were doing was, you were getting a rakeoff situation. The port was getting clogged because the monopoly couldn't deliver. Maybe it chose not to deliver? I think that the competence level was a problem, too. That's what I'm talking about where I think it was a problem. Maybe there was clearing customs documents and things like that. There may have been some corruption there, too, but that didn't seem to be a handicap. It didn't seem to be a handicap to the economy.

Q: *With respect to the ports and the telephones, who was in charge?*

DUNCAN: The military. Those were state enterprises effectively run as military pikes. The port was the navy. The telephones was the air force, I think. The railroads was the army.

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Q: What was your impression as an economist of the military control of elements of infrastructure? What was your impression of the military leaders as economic figures?

DUNCAN: It wasn't their strength. In the electric power generation area, they did basically a very good job. My understanding is that the King had taken a personal interest in this area. They were doing a very good job in delivering heat. The power requirements, in contrast to the Philippines, where they had tremendous outages and things like that, that was not true in Thailand. They had to work like dogs to keep up with the booming demand, but they were doing it because they were responding to the state monopoly. But they were responding to a market demand and making money straightforward on that. I contrast that operation with the telephone thing that I spoke to you about. What I understand happened in Thailand is that the people just sort of got around the bottleneck by going with mobile phones. But this was a case of where like the cranes in the port and the telephone shortages and what not, were a major constraint on the economic development of Thailand. The individuals that were involved were obviously permitting this thing to go on because it was in their "personal interest."

Q: *Looking at this '87-'90 period in the economic sphere, were members of the royal family or were they involved in shortages or deals?*

DUNCAN: I had no indication that the King was involved in corruption. I'm not aware of any case. Certainly his eldest daughter was not. The Crown Prince was controversial in terms of his personality, but I do not believe that where corruption was a problem. Throwing his weight around was a problem. His behavior pattern was a problem. Certainly the Queen Mother was not.

Q: *What about textiles? Were they an issue or had that pretty well passed Thailand by this time as far as we were concerned?*

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DUNCAN: No, there was quite a developed textile industry in Thailand. They were moving more toward electronics, but there were major textile manufacturers, and very good ones, too.

Q: As far as American policy, had we learned to live with textile out of the country?

DUNCAN: There were nitty gritty sort of problems with quota adjustments and things like that. But I would not view it as being... It was an annoyance in the sense that the Thais sometimes felt that we were not being reasonable. The textile regime was designed to restrain imports to the United States. The Thais' interests was to maximize their exports. So, you have this dynamic of "Why are you violating the quota on this particular type of pants?" We dealt with it, but it tended to be nuts and bolts.

Q: What about cooperation or congruent interests, particularly with the European powers or with Japan or Thailand? Was everything pretty much on a bilateral basis?

DUNCAN: I think it was largely on a bilateral basis. We had much more close relations with Thailand than any European power. The Japanese, of course, had a huge involvement there, largely economic. But they had their own arrangements. They had their arrangements. Our role in that country politically and militarily was so big that all of our problems... On the major GATT round, we were closer to the Thais in terms of their objectives than we were to the Europeans, particularly in the agricultural area. So, as a consequence, we were actually allied with the Thais against the European Community.

Q: The Thais were exporters of rice and we are exporters of rice another products. So, we wanted to open things rather than close them.

DUNCAN: To close and control export subsidies.

Q: Were there any other economic issues before we go on?

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DUNCAN: Just one final one on the rice issue. We had a rice subsidization program in the United States which was a major source of problems with Thailand. The Thais viewed this as being an outrage. I'll be perfectly honest with you. Our own trade people didn't dispute that fact. It was a political dynamic within the United States and where this thing had happened. The solution was "Look, this is why we want to get this thing taken care of in a multilateral framework to give us a basis on which to cut it back." They were really irritated. Speaking perfectly honestly, it was totally justified.

Q: How did you respond when you were on the wrong side of an issue?

DUNCAN: The way you respond is "Yes, this is something we have to deal with and this is the way to deal with it." They would like a solution today. It was the load stones. That's the diplomatic (inaudible). You have to drag it around by your neck.

Q: Your personal albatross.

DUNCAN: My albatross, right.

Q: Turning to the regional role, you were doing what?

DUNCAN: I was the U.S. permanent representative to the United Nations Economic Commission for East Asia and the Pacific. The thing that made this job particularly interesting was not the substance of the work that we were doing in the ECA. I don't want to overstate that because that tends to denigrate it. But the issues that we were dealing with tended to be issues like some of the old Third World type issues, the nasty multinational corporations. Actually, we got a lot of battles between the Pakistanis and the Indians because they were also members. But the thing I wanted to talk about was, yes, we dealt with all of those problems, but the thing that was absolutely fascinating for me during the few years that I served there is, this was the end of the Cold War period. Therefore, in dealing with these daily issues of the UN structure, it was the changing relationship between the Americans and the Russians, and the Americans and the

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Chinese in this context. For example, when I came onto the job, my predecessor in the embassy had told me that the Russian representative (or, at that time, the Soviet representative) was a NKBD type and totally involved in being obstreperous and disagreeable and very antiAmerican: tirades against capitalism, this sort of stuff. Sort of a "Nyet" type. So, I was expecting that my tour here was going to be in this job like his: constantly publically debating the Soviets on one ideological question after another. The first session that I attended (I accompanied him to his last session, which was my first session to be introduced and what not), we got a pristine performance from Boris. That was the Soviet representative's name. Shortly thereafter when I took over the job, Boris disappeared. We had a new Soviet representative. He had been an international civil servant in the UN system and had worked for many years in Geneva. He obviously, in retrospect, had received instructions to cooperate with the Americans. The whole environment completely changed. We would present our position and then he would go to the microphone and say, "We completely agree with your position." It was such a shock, the change (It was obviously apparent to everybody there.), that it took me three months at least before I was prepared to even consider taking this thing at face value. As you well are aware, there are all sorts of rules in dealing with Soviets, the old rules, that you never want to get yourself in a position where you are alone, where you don't have somebody with you. You're supposed to write it up if anything special goes on. The old Cold War rules. He was obviously engaged in a position to cultivate us. The question is, what gives here?

Q: I might point out that in this '87'90 period, there still was Soviet Union. This was Cold War Russia. It became the power.

DUNCAN: Definitely. The other interesting dimension to the thing, which was rather humorous, was that it was obviously apparent to the Chinese that there had been this adjustment. My relations with the Chinese representative were quite good, but the Chinese was getting very aggravated about the fact that the Soviet was, in effect, supporting the American position and the poor Vietnamese representative didn't know what was going

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on. It was this whole dimension of the situation which was, to me, the most absolutely fascinating part of the job, rather than the nuts and bolts of the United Nations economic and social program for this institution in the Pacific.

I'll give two stories that I think are so fascinating. We were a problem of Lithuania. I'm having difficulty trying to recall the specific details of what was going on in Lithuania. The Soviet Union still existed and Lithuania was part of the Soviet Union. The question was, the Lithuanians were pressing for independence. I don't recall the details, but there was obviously some indication of opposition from the Russians to this Lithuanian drive for independence. So, the thing sort of tended to be heating up. I had been having this era of good feeling with my Soviet counterpart for quite some time. I saw this thing coming up. Not that I had any instructions on the subject at all, but just as a friendly gesture, I said to him, "Alex, I really hope that we're not going to have bloodshed in Lithuania." To my absolute amazement (I think this was the first time), he came back to me and said, "Oh, absolutely not. You just have to understand that Gorbachev has to have a referendum. The Lithuanians can have their independence. There is enough Lithuanians, they have a sufficient majority that under the existing constitution for withdrawal from the Soviet Union that they can vote under a referendum for independence. There are plenty of votes there. They are a very civilized people. ("Civilized" is a word, incidentally, that the Russians use all the time.) They can go. But Gorbachev's problem is what he's got in the Caucasus. He cannot afford to have an independent declaration of independence without a referendum because in the Caucasus, if we had people in the Caucasus unilaterally declaring their independence, we're going to have a civil war on their hands and it's going to be awful. Gorbachev has to have a referendum in Lithuania." Well, I came away from this discussion saying, "Oh, my God. Is this being reported somewhere else? Is this the official line?" So, I did up a message reporting this conversation and then checked it out with a couple of people in the embassy. I said, "Do you see any reason why I shouldn't send this?" This was going back to Washington. They said, "Well, that's what he said." So, it was sent. I was told a number of years later when I met Paul Wolfowitz that "Bob, I just

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want to let you know how important that message was. That really solved our problem.” Of course, it worked out.

The other one which I think was absolutely fascinating... This was my relationship with this guy who, more and more, whatever we need done on the UN, he is supporting me. I made every effort I could to try to be cooperative, too. But it's obvious that he had instructions to work with the Americans. This one day in a cocktail party, I think, I was meeting with him again. I can't remember exactly how this conversation began. He was starting to speak about the breakup of the Soviet Union. This was before the Soviet Union had broken up, so we're very close here to my departure time somewhere in '90. Gorbachev was still there. I have to give you a little background on this. What was leading up to this conversation is that we were having all these things going on in the Soviet Union. My Soviet colleague would be saying things to me like “Well, they haven't gotten rid of all the problem ones yet.” Then he said, “Now, we got rid of the problem ones.” It was in that context where he was sort of dropping this type of commentary, he came out and said, “The Soviet Union is going to break up. It is no longer possible for us to maintain control over all of these peripheral republics. It's impossible. So, the Soviet Union is going to break up. What is going to be left is going to be Byelorussia, Ukraine, and Russia.” This came completely out of the blue. I said to myself, “Is this new policy?” There was no indication, at least from what I knew, that this was going to happen. So, I decided, “Well, I certainly can't report this thing. Obviously, here I am in Bangkok out at the end of the world and I'm talking to this Soviet guy. I don't know what he stands for.” It was not too long afterwards, within a month, I think, that was the head of the Economic Division of the Soviet Foreign Ministry was coming out to a conference in Bangkok. This is at the cocktail party. I had met him because he was sort of the Soviet representative for this conference that I was the U.S. representative for. We were standing in this cocktail party and I said to him, “I was talking with Alex and he was indicating that the Soviet Union was going to break up and that the remnant, what would be left, would be Byelorussia, Ukraine, and Russia. Is that policy? Is that true?” He said, “Oh, yes, absolutely true. Only Kazakhstan will be in.

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That's almost 50% Russian." On the basis of that conversation, then I sent the cable in to let them know what the Soviets were telling me, that the Soviet Union was going to break up. You can see, this was the part that was so fascinating on this job.

I can give you one other story which is related to this thing. They had this Asian Institute of Technology (AIT) run by a Scot up country in Bangkok, which sort of pretended to be a UN sponsored operation. It was like an MIT, CIT, what not. It was a fine institution, basically training Asian engineers. One of the problems we had was that the Taiwanese were in there as well as Chinese. They had a problem where they were going to have a Taiwan day or a Taiwan flag or something like this. The Mainland Chinese came in on this thing and they went to the Scot guy who was running this thing and, in no uncertain terms, said to him... It was a real strongarm operation. It was sort of a quasiindependent type trusteeship system they had. I think the American ambassador exofficio was one of the trustees. He had to get out of the job. There was a conflict of interest, not personal, but government. He had to resign the job. This thing was going on. I went to my Chinese colleague and said, "I don't exactly what your objective is, but this Asian Institute of Technology is a very fine institution and doing very fine things in training Asians. I certainly hope that the Chinese government is not in a posture of trying to wreck this institution." He said, "Bob, don't worry a bit. We think this place is absolutely great. Thminute we get this little problem taken care of, we're just going to pour money and people into the place" and they did. I only bring this story up because it's another example of how sensitive this Taiwan issue is for the Chinese.

Q: Were there any other elements we should discuss about thiBangkok time?

DUNCAN: No, I don't think so.

Q: You left there in '90. Where did you go?

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DUNCAN: I came back for six months to serve on the Foreign Servicerecruitment system, B/EX.

Q: What were you doing there?

DUNCAN: Recruiting officers.

Q: Going out to campuses and all?

DUNCAN: No, examining. I did do a little bit of recruiting in connection with the examining. For example, when I was in San Francisco, I went out to Berkeley and spoke with the dean of the International Relations Department. Most of my time was spent on giving oral exams.

Q: What was your impression of the people coming in, being examined?

DUNCAN: I think there is a very fine group of candidates. Some are exceptional; some are not so exceptional. Basically, we had no difficulty from the pool of candidates that we had to recruit a roster of highly, highly talented people.

Q: Did you feel any pressure to bring in what are called minorities?

DUNCAN: The Affirmative Action Program that we had was basically (I'm thinking of the African American candidates in particular, but I assume that would apply to Hispanics and what not.) that, if they passed the oral exam and if they could meet the security and medical requirements, they would automatically be hired. Interestingly enough, the only problem we had in this area was two of the outstanding African American candidates that we had, when they were told that they would be beneficiaries of this Affirmative Action Program, almost were prepared to walk away from the job. They said they did not want to get anything under affirmative action. They didn't want the job. I had to really work to convince them that, look, even if there weren't an affirmative action program, they would

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have been hired. It just happened that this was another hinge. I think the only place that we had a problem was in female recruitment. We were getting signals that the proportion of women that were passing the oral examination was not proportional to the numbers taking it. I can certify that the examiners in our system, where there are multi examiners, I have total confidence in the integrity of the system and the individuals. The system is so structured that, if there is any individual who goes off the deep end, the system is perfectly designed to protect from any kind of positive or negative bias. I have total confidence that, with the guidelines that we were given and what we were supposed to do, we applied the system fairly and what not. I think the basic problem that they had is that they had skewed the written examination to increase the proportion of women that passed it and that when they would come to the oral examination, we would have the pool and when we would come back, I'm just guessing at this, but the lack of background that some of the women had in the areas of interest which was being compensated for in the written examination by putting more weight in its expression was being picked up in the oral exam. In other words, if the weighting in the written examination hadn't been adjusted in order to get a larger percentage of women passing, my guesstimate would be that the results in the oral would have probably been the same proportionally as the results of the written. You were getting an adjustment here and then a counter consequence. The oral examiners were not making any effort against women at all.

Q: Also, you had women examiners.

DUNCAN: Absolutely.

Q: So, it was a mixed group of examiners who didn't come with an predisposition.

DUNCAN: Yes. This is my own personal judgment. My own personal judgment is that the sum of the female candidates that we were examining lacked background experience and academic training in areas which are directly germane to the oral examination process.

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Q: We're talking about economics, political science, history. In order to get more women to pass the written exam, which had concentrated in those fields, which are the fields that the Foreign Service uses, they pushed it more off into English literature, English expression.

DUNCAN: They increased the weight given.

Q: The weight given to English expression.

DUNCAN: Women do better in it.

Q: Yes, but when they're up against competition with those who majored in or were more familiar with the classic Foreign Service type things of understanding other countries' economics or politics, they just were not as knowledgeable.

DUNCAN: That's my impression.

Q: After six months with the Board of Examiners, where did you go?

DUNCAN: Then I became the director of the Office of Economic Analysis in the Bureau of Intelligence and Research.

Q: You did that from when to when?

DUNCAN: February 1991 basically the fall of 1993. It was like two years and three or four months.

Q: Until you retired.

DUNCAN: When I retired. Q: What were your main concentrations at that point?

DUNCAN: A lot of it had to do with the (end of tape)

Q: We were talking about what had been the economy of the Soviet Union and whither.

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DUNCAN: I'm going to have to be careful because in that particular job I'm not getting involved in classified information which is still classified.

Q: Alright. Let's maybe stick to generalities. What was your outlook and the people you were dealing with about whither Russia and the Newly Independent States?

DUNCAN: Our job was to basically take all the information from all of the sources that were available to us and come up with analysis of an issue to brief the people, particularly in the State Department, but our material was used and distributed elsewhere, basically to know what was going on. We're not supposed to be in the policy boat. So, we were basically trying to present, to take the Russian example, our best judgment of what was the current status trends of the Soviet and Russian economy. I would say that the big thing that we were highlighting was that the Russians were continuing to sell their raw materials, their oil and natural gas. This was more than paying for their import level. The Soviet economy was not basically a basket case. It was a basket case in terms of internal efficiency and structure and what not. Of course, there was tremendous preoccupation with the inflation rate. But the problem in Russia was management. It needed technical assistance, but it didn't need money. Of course, that leads to who was raking off this money, who was getting this money? I was trying to make a major theme for that area. The message we were basically conveying was that this is not a country that needs a loan. It got loans, but this is a country that could pay its way.

Q: This, of course, was really the major preoccupation not only of the United States, but Western Europe and Japan about whether this place was going to absolutely collapse into chaos with nuclear missiles sort of up for sale, up for grabs, and the whole thing. Were there signs that the Russians could bring it together?

DUNCAN: Not when I was there. When I was there, a period that basically ended in the end of September of '93, the positive note I told you is that the foreign reserves were

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building up the country. It wasn't destitute. But the other side of the coin they effectively managing the money supply? was not a positive thing. Then it became worse.

Q: One of the things was that, as we got more to looking at the economy and no longer somehow looking at the enemy and therefore making it seem stronger than before, we were beginning to really look at the warts of the system, the lack of roads... All these things were known, but in a way, we concentrated on the military might of the Soviets before. We were looking at them as an economic power?

DUNCAN: My involvement in the very end of my career, which was the first time I was now responsible for looking at the Soviet Union (All the rest of my career it was covered as very much a peripheral issue.), I think the only point that I can say about that is that on the big debate on why did the United States government not predict the collapse of the Soviet Union, the argument that was made (It makes sense, I think.) was that because money doesn't mean anything in a communist economy and because prices are set, in effect, to equalize the money supply and are not a function of supply and demand, but rather a function of "This is what the price is. This is what we have." the equalizing factor of the Soviet economy is basically shortages and surpluses, not pricing. In that kind of economy, the only way that you can evaluate its national income is, you have to go in and basically count up what is produced and then put a price to it and then sort of add the thing up. The powers that be in the government apparently had done this extensively way back when. Then after that base had been done, then they would start to look and see how things were moving. The contention that I heard was that, whereas (I don't know whether this is true or not.) they had been pretty accurate in judging movements, fluctuations, in the economy from that time forward, the base was wrong. That's all I can tell you. Whether that is true or not... The response to the question of "How come you didn't know it was falling flat on its face?"

Q: *We might stop at this point.*

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DUNCAN: Fine.

Q: I want to thank you.

End of interview